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TODAY'S WEATHER—PARIS: Partly cloudy. Temp. 43-34 (6-1). Tomorrow similar. Yesterday's temp. 39-34 (4-1). LONDON: Occasional rain. Temp. 43-39 (6-4). Tomorrow little change. Yesterday's temp. 41-37 (5-3). CHANNEL: Slight. ROME: Cloudy. Temp. 57-34 (14-1). NEW YORK: Fair. 40-30 (4—1). Yesterday's temp. 25-20 (—4—7).

ADDITIONAL WEATHER—PAGE 2

INTERNATIONAL

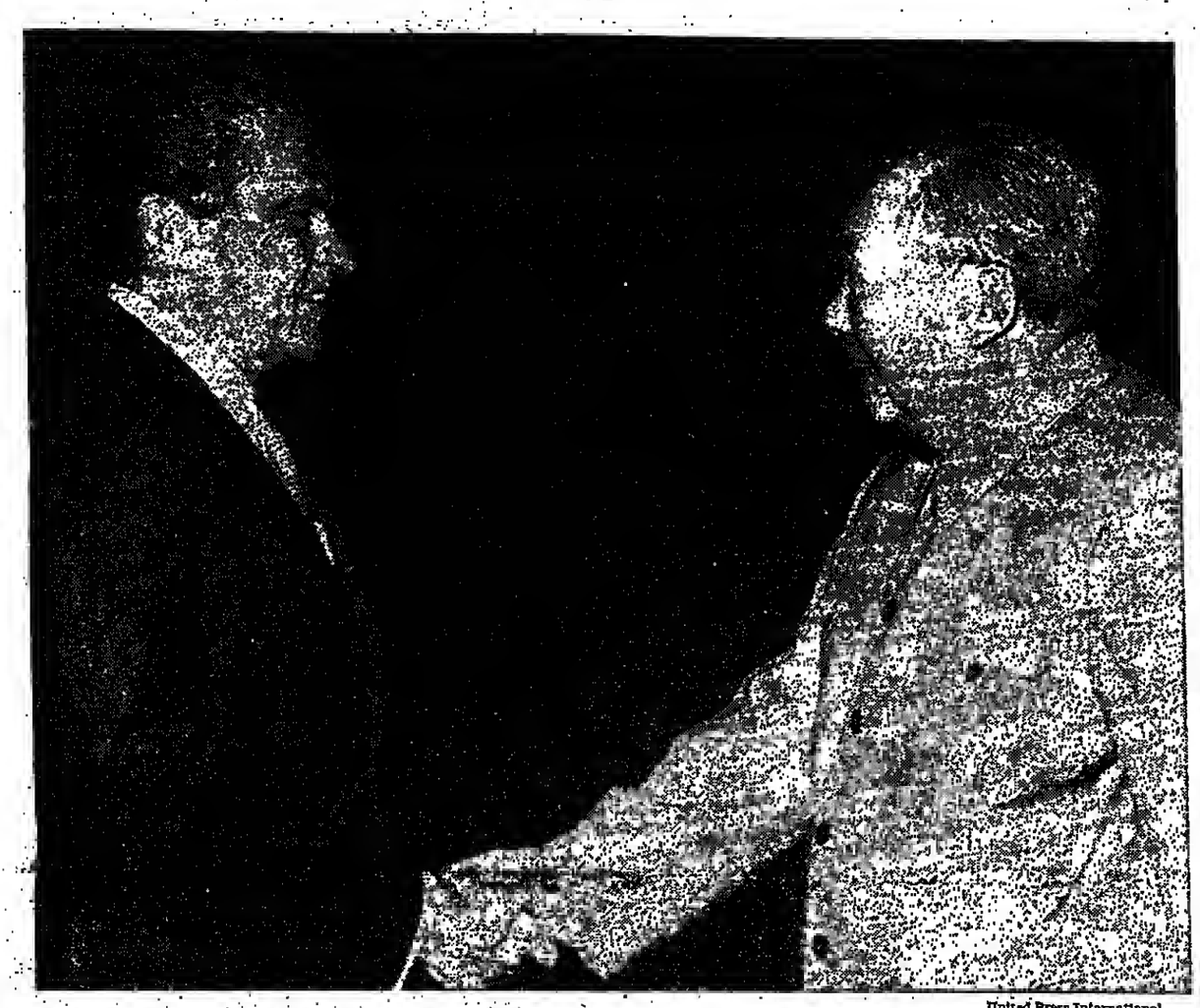
Herald Tribune

Published with The New York Times and The Washington Post

Austria ..... 8 S. | Lebanon ..... 90 P.
Belgium ..... 12 B.F. | Luxembourg .... 12 L.F.
Denmark ..... 2D.Kr. | Morocco ..... 1.00 Dir.
Eire (Inc. tax) ... 9 P. | Netherlands ..... 1 F.
France ..... 1.00 Fr. | Norway ..... 2 N.Kr.
Germany ..... 1.00 D.M. | Portugal ..... 2 Es.
Great Britain ..... 7½ P. | Spain ..... 12 Pts.
Greece ..... 10 Drs. | Sweden ..... 1.25 S.Kr.
India ..... Rs. 7.00 | Switzerland ..... 1.25 S.Fr.
Iran ..... 25 Rials | Turkey ..... 7.00 L.
Italy ..... 180 Lire | U.S. Military $1.25
Israel ..... I.£1.25 | Yugoslavia ..... 8 D.

No. 27,715 ** PARIS, TUESDAY, FEBRUARY 22, 1972 Established 1887

Nixon's First Day: Early Talk With Mao, Friendship Toast Exchanges With Chou



United Press International.

THE TWAIN MEET—President Nixon greeted yesterday by Chairman Mao Tse-tung at the start of a private, unscheduled meeting with the Chinese leader on his first day in Peking. They had been expected to meet later.

Premier Greets America by TV

By Max Frankel

PEKING, Feb. 21 (NYT).—President Nixon began his weeklong summit conference in China today by receiving a surprise audience with Chairman Mao Tse-tung, exchanging unusual toasts with Premier Chou En-lai and then joining in two rather extensive rounds of itinerant glass-clinking in the Great Hall of the People on the Square of the Gate of Heavenly Peace.

The meeting with Mr. Mao, the enshrined leader of the Communist rulers of China, appeared to have been added hurriedly to Mr. Nixon's schedule on his first afternoon here. But nothing is known about what was said and attention was therefore focused on the remarkable banquet given for the visiting Americans by the premier this evening.

● Texts of Nixon and Chou remarks on Page 2.

After the shark's fin in three shreds at the banquet, Mr. Chou rose to send greetings across the ocean, by television, to the American people and to describe Mr. Nixon's long journey here as a "positive move" responding to the wishes of the peoples of both countries.

Mr. Chou said the reasons for 30 years of tension without contacts were "known to all"—meaning primarily American support for an independent Taiwan. He credited both governments for "common efforts" to open the gate to better contacts at last. And he expressed confidence that further pressure from the people—who "alone" shape world history—will surely bring the day when China and the United States can establish "normal state relations."

Mr. Nixon responded, in a more expansive tone, after the fried and stewed prawns. Rising from table No. 1, where he had eaten with chopsticks after his hosts had loaded his plate with a serving of each dish in succession, he found the hospitality incomparable, the dinner magnificent and the American music, as rendered by the People's Liberation Army band, played better than in any other foreign land.

Although the Chinese have made it plain that they still harbor suspicions about American policy and what they call its "imperialism," the President did his best to bury the American fears of a Chinese menace that he himself had once helped to arouse.

'Common Interests'

"There is no reason for us to be enemies," he said. "Neither of us seeks the territory of the other. Neither of us seeks domination over the other. Neither of us seeks to stretch out our hands and rule the world."

There were enmities in the past and there are differences today, Mr. Nixon asserted, but the "common interests" of the moment transcend everything else. Using the most vivid image of Chinese revolutionary history, the President proposed a "long march" on different roads to the common goal of a "structure of peace."

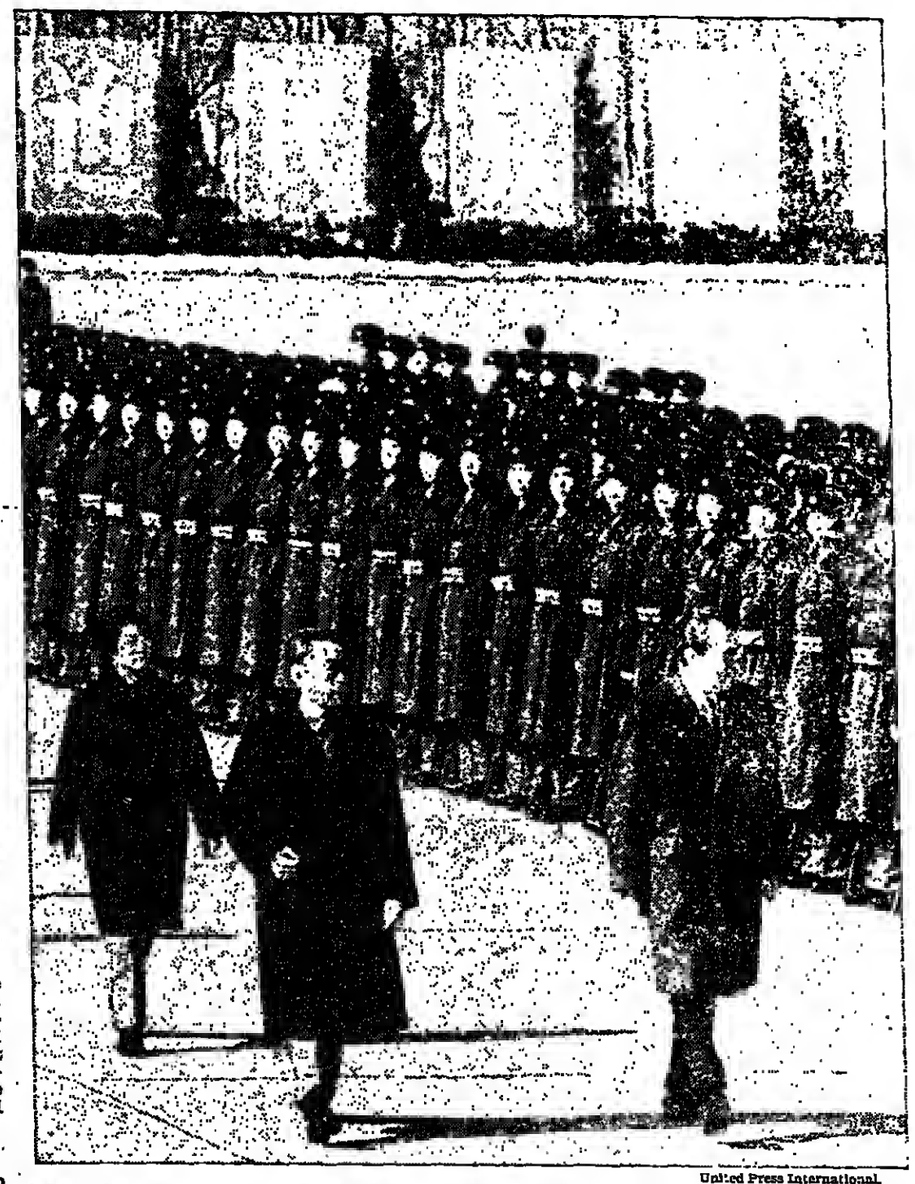
He defined this as a structure in which all nations would determine their own form of government without interference—perhaps intending an allusion to Vietnam, but definitely not Taiwan.

And using a quotation from Chairman Mao, the President said it was time to seize the day and to seize the hour "for our two peoples to rise to the heights of greatness which can build a new and a better world."

After each of the toasts before 800 guests at round tables in the huge reception hall, the principal conferees went roaming, thimble-size glasses in hand, clinking this way and that way from table to table and sipping or pretending, as Mr. Chou usually pretends.

The Americans warmed up gradually to this routine, as the band offered a bouncy tune. Mr. Nixon, Secretary of State William P. Rogers and security adviser Henry A. Kissinger were soon scattered far from their own sumptuous table, while the premier and his principal Politburo colleagues for this visit, Yeh Chien-ying, who is in charge of the military, and Li Hsien-nien, the vice-premier who is in charge

(Continued on Page 2, Col. 2)



United Press International.

PART OF THE RITUAL.—President Nixon and Premier Chou En-lai, followed by an interpreter, inspecting People's Army honor guard yesterday at the airport in Peking.

U.K. Miners Special Case, Unions Told

LONDON, Feb. 21 (AP).—The government today warned labor unions lining up in Britain's lengthy pay-claim queue not to expect big increases like those won by the mineworkers.

As the nation's 280,000 miners prepared to vote on acceptance of the pay package offered them after a six-week strike that crippled the country in a power crisis, Employment Minister Robert Carr served notice the government is determined to hold the line against further inflationary wage hikes.

He told the House of Commons, "It is essential that the country as a whole, and in particular all concerned with pay negotiations, should accept that the level of the coal-mining settlement is due to reasons which are exceptional and do not apply to industry generally."

Mr. Carr said government policy in the battle against inflation is still based on the "overriding need for moderation in wage settlements."

The miners extracted pay increases averaging 20 percent in a deal that blasted a gaping hole in the government's unofficial wage-hike ceiling of 8 percent.

Claims are pending from railroad unions, nurses, teachers and London transport and building workers. Their leaders are expected to use the "special case" argument which was the linchpin of the miners' victory.

Although the miners have lifted their picket blockade on power stations and around stockpiled coal, they are not due to vote on the offer in a national ballot before Wednesday, and a resumption of work is not expected before next Monday.

Power blackouts which have reduced industry to a three-day week and cut electricity supplies to millions of homes on a rotation basis were still in force today.

Trade and Industry Minister John Davies forecast in the Commons that the cuts will continue at the same level for some time, and that it will take a month for the situation to return to normal.

He said the main burden would fall on home consumers while the government strives to restore full industrial production.

The National Coal Board again

(Continued on Page 2, Col. 1)

In the Central Highlands

U.S. Raids Said to Delay Tet Drive

By Fox Butterfield

PLEIKU, South Vietnam, Feb. 21 (NYT).—The expected major enemy offensive in the Central Highlands during the Tet lunar new year and President Nixon's trip to China has been delayed for at least several weeks by a combination of intensive U.S. air strikes and the capture of key enemy guerrillas, the South Vietnamese commander in the highlands said today.

Lt. Gen. Ngo Dzu, the commander, said he had not been able to sleep for the last three nights because "we had reliable information that the North Vietnamese were going to attack."

But, he continued, special South Vietnamese patrols in enemy territory found that the heavy U.S. air raids in the highlands just before the Tet holiday last week had had a "fantastic effect" in destroying supply lines. Gen. Dzu said that the U.S. planes flew more than 500 sorties on Feb. 11, 12 and 13.

Gen. Dzu, who spoke to newsmen in his hilltop headquarters in Pleiku, said that the North Vietnamese had continued to build a maze of roads and move large quantities of supplies opposite Kontum city and the key outpost of Ben Het.

"We are watching them carefully and there is no evidence that they have given up the idea of major attacks in Kontum," he said. The North Vietnamese have a large base camp in the area where the South Vietnamese, Laotian and Cambodian borders join and Kontum city and Ben Het are only a half dozen miles from the border.

U.S. and South Vietnamese intelligence have reported two new North Vietnamese divisions mov-

(Continued on Page 2, Col. 1)

Belfast Blast Kills 4 IRA Men; A Gun Battle in Londonderry

BELFAST, Feb. 21 (UPI).—Four men were blown up today when what the British Army said apparently was a bomb exploded in their car as it drove through a Belfast Protestant neighborhood.

The vehicle disintegrated as it curved through the Castlereigh roundabout in predominantly Protestant South Belfast.

"It exploded in flames," an army spokesman said. "The car was blown to bits and the bodies were torn to ribbons.

He said the four men had been identified, "but we are not in a position to release names and addresses." He said they were known members of the Provisional Irish Republican Army.

The blast injured a number of other persons, according to the army.

Two Pistols Found

Amid the charred rubble of the vehicle soldiers found two pistols, the spokesman said.

The Belfast car blast followed the bombing of a gasoline station near City Hall which wrecked the station and set gasoline pumps ablaze.

The spokesman said that in another episode troops found a

(Continued on Page 2, Col. 1)

R.F. Kennedy's Son Said on Hijacked Jet

NEW DELHI, Feb. 22 (Tuesday) (AP).—A Lufthansa jumbo jet with Joseph Kennedy, son of the late Sen. Robert F. Kennedy aboard, was hijacked early today shortly after taking off from New Delhi for Athens, a Lufthansa official said.

The official said Lufthansa flight 649 with 180 passengers aboard was taken over by an unknown person or persons about one hour after it took off from New Delhi at 0100 local time (1930 GMT).

"The pilot messaged us that he no longer was in command," the official said.

As of 0530 local (2400 GMT) there was still no word as to the location of the aircraft.

Asks Return to 'Socialist Principles'

Polish Leader Urges China to Reject Mao

WARSAW, Feb. 21.—The Polish Communist party leader, Edward Gierek, appealed today to the Chinese people to reject Chairman Mao Tse-tung's policies and "restore Socialist principles" in China.

The attack was the strongest yet leveled by Poland, a main ally of the Soviet Union in its ideological conflict with China.

At a mass rally, Mr. Gierek said: "Our position toward China is clear. It results from the principles of Marxism-Leninism.

"We condemn as greatly harmful the policy of the Chinese leadership. It abandoned the principles of Marxism-Leninism and replaced them by Maoist ideology, the essence of which is nationalism and great-power chauvinism.

"This ideology and policy make China turn against its natural and reliable allies—the Socialist countries. The anti-Soviet, disruptive line of the Chinese leadership is aimed against the interests of the whole Socialist community, including the vital interests of Poland.

"We hope that the Chinese people and the Chinese Communists will find enough strength in themselves to reject the dangerous Maoist line and restore Socialist principles in the policy of their state."

Mr. Gierek spoke at a political rally in Katowice, in the industrial heart of Poland.

Earlier this month, Poland's official party paper, Trybuna Ludu, labeled Peking "anti-Communist" and said in a five-column article that chairman Mao's ideology had turned China into "an aggressive conception of petty bourgeois and nationalist anti-Communism."

The official Polish press agency reported without comment today the arrival of Mr. Nixon in Peking in a 90-word dispatch.

Elsewhere in Eastern Europe, Hungary, Romania, Yugoslavia and Bulgaria all carried news items on Mr. Nixon's arrival. Only the Sofia radio was sharply critical of the visit—saying that both countries were ready to make deals with the devil to achieve their aims.

The Bulgarian radio commented: "American anti-Communism and the strivings of China for a world hegemony coincide in such a way that both states are ready for the achievement of their goals to make deals even with the devil."

The Czechoslovak party paper, Rude Pravo, softened its criticism of the visit, but the Slovak party paper, Pravda, concentrated its scorn on China's role.

A Banquet Aglow With Good Cheer

PEKING, Feb. 21 (UPI).—Pat and Richard Nixon wielded chopsticks with dexterity tonight at a banquet given by Chou En-lai.

The American guests ate with obvious gusto, and the trim Chinese waiters and waitresses were hard-pressed to keep the wine goblets filled, so vigorously and frequently did the Nixons toast their hosts.

The dinner—attended by 700—lasted almost three hours. The supping was leisurely, the sipping unrestrained.

An ebullient President Nixon, after formally toasting Premier Chou from the platform at the front of the immense Great Hall of the People, stepped down and meandered from table to table among lesser officials, lifting his glass, clinking it to another, taking a nip, nodding his head and moving on to the next guest. He appeared to miss no one.

Such circulation by the guest of honor is a custom in China.

The menu was lavish for a Chinese dinner, and included shark's fin—considered a sign of high esteem for the principal guests.

A Table for 20

Mr. Chou was an exemplary host, apparently conversing at times in English with his American guests at the main table, arranged for 20 persons.

Once, Mr. Chou served Mrs. Nixon a bit of food from a dish. Another time the short, slender Chinese premier rose and reached far across the table to spear with his chopsticks what appeared to be a shrimp.

Aside from the serious formal toasts by Mr. Chou and Mr. Nixon, an air of joviality marked the meal. The Nixons enjoyed the food and seemed to relish the company. All at the main table chatted with animation.

Mr. Chou, 73, several times allowed a look of enjoyment to lighten his normally severe mien as he sat ramrod-straight in his leather chair.

He sat with an interpreter between the Nixons at the main table, which was huge and round. A bower of flowers, several feet in diameter, dominated the table.

Below them in the Great Hall of the People, round tables about half the size of the leader's were ranged in neat rows.

Music opened the dinner, with renditions by a large Chinese orchestra of "The Star-Spangled Banner" and then the Chinese anthem, "March of the Volunteers," as the President and the premier stood before huge flags of their nations.

During the dinner the orchestra played first what the Chinese called "revolutionary themes" and then several American tunes—"Home on the Range," "Turkey in the Straw" and "America, the Beautiful."

At one point while Mr. Nixon and Mr. Chou were dining, Henry A. Kissinger, the President's national security adviser, leaned over to talk with both men.

Mr. Chou and Mr. Kissinger appeared to exchange light-hearted humor.

["Any minute now they'll start passing papers for us to sign," said Mr. Kissinger as the "gom-bay"—bottoms up—toasts drunk in Mao Tai, the potent sorghum-based Chinese whiskey, followed in dangerous profusion, AP reported.]

Mr. Nixon is scheduled to give a banquet later this week for Premier Chou.

Summit Menu, Peking Style

PEKING, Feb. 21 (UPI).—The menu for tonight's banquet offered by Premier Chou En-lai for President and Mrs. Nixon:

Spongy bamboo shoots, egg-white consommé, shark fin in three shreds, fried and stewed shrimp, boiled eggs preserved for several months until they turn black, egg-rolls, hams, sausages, steamed chicken with coconuts, Peking duck, almond junkets, steamed pastries and fruits.

To drink, there was Mao Tai, a fiery sorghum-based spirit, Chinese red wine and beer.

Saigon General Confident

U.S. Bombing Said to Delay Tet Offensive in Highlands

(Continued from Page 1)

ing into the base area in the last two weeks. Gen. Dzu said that the enemy had built roads and moved supplies into South Vietnam but had not yet moved troops across the border.

The general said the North Vietnamese could move troops into Kontum in 24 to 48 hours if they decided to attack.

The area is a vast wilderness of mountains covered by jungle. From the air many roads and paths leading in from the border are visible. U.S. officers say they have all been built in the last few weeks.

The South Vietnamese have not begun any major infantry operations in this area, relying on small, long-range patrols and air strikes to keep the enemy off balance.

The expected offensive was also delayed, Gen. Dzu said, because in several areas enemy sappers had been captured or killed while trying to infiltrate government towns.

Gen. Dzu's opinion on the effectiveness of the U.S. bombing in hindering a North Vietnamese offensive is shared by many American officers in the highlands. But they also agree with him that eventually the enemy will begin major attacks in Kontum, since it is isolated and close to their base area.

Flurry of Attacks

SAIGON, Feb. 21.—The allied commands today reported a flurry of enemy attacks throughout South Vietnam. A South Vietnamese spokesman called the activity normal for the month.

The U.S. command reported half a dozen attacks, which left two U.S. soldiers dead and 10 wounded. A half dozen helicopters and a tank were destroyed or damaged in the attacks, which centered north of Saigon.

The South Vietnamese command reported 37 attacks against its forces, half of them by rockets and mortars. Thirty-nine South Vietnamese were reportedly killed and 35 wounded, with 113 enemy soldiers said to have been killed.

The Saigon command also reported that six civilians had been killed and 10 other persons wounded when a terrorist grenade exploded in a restaurant in the Mekong Delta, 55 miles southwest of Saigon.

Viet Cong troops reportedly set off a mine against government militia forces in a village office 12 miles south of Da Nang, killing 12 persons and wounding three.

New Fighting at Angkor

PHNOM PENH, Feb. 21 (AP).—Heavy fighting continued today four miles east of the temples of Angkor even though the Cambodian commander there said that he had no intention of trying to seize the art treasures.

The temples have been in Communist hands for the last 21 months.

U.K. Miners Special Case, Unions Told

(Continued from Page 1)

took full page newspaper advertisements today urging the public to continue electricity economies until the brunt of the crisis has passed.

Mr. Davies had already praised domestic consumers for their "splended response."

The National Coal Board today commandeered every available truck, train and ship to rush stockpiled coal to the fuel-starved power stations.

Up to 80,000 tons was shifted over the weekend after miners' leaders accepted the recommended payoff early Saturday. The NCB said it hoped to move another 500,000 tons to generating plants across England and Wales by next weekend.

A Central Electricity Generating Board spokesman said power stations normally consume 1.6 million tons of coal a week during the winter months but could get by on 900,000 tons while the power cuts last.

Blast Kills 4 In Belfast

(Continued from Page 1)

large ammunition cache in a Catholic girls' school.

"We were acting on information received," he said.

Just before the troops arrived at the door of the school, three gelignite bombs were thrown at them.

"This may have been an attempt to decoy our troops from the school, but we did not investigate," he said.

In Londonderry meanwhile, an army spokesman said, troops pumped rifle fire into the spire of St. Eugene's Cathedral in the Cutholic Bogside district during the night while battling snipers firing from there.

In Coleraine, 25 miles northeast of Londonderry, a British Defense Ministry counsel defended the conduct of troops in the Londonderry shootings of Jan. 30 on the opening day of a British government inquiry into the incident.

Counsel Brian Gibbens denied allegations by Catholic civil-rights leaders that troops opened fire at random on unarmed civilians when the soldiers moved in to disperse the parade, held in defiance of the Northern Ireland government's ban on all marches in the province.

Mr. Gibbens told the inquiry being conducted by Britain's Lord Chief Justice Widgery that the troops acted "responsibly and in a disciplined manner" during the Londonderry bloodshed.

Mr. Gibbens said the troops used "minimum force, did not fire indiscriminately, nor were they carrying out 'a policy of murder'" in dispersing the marchers.

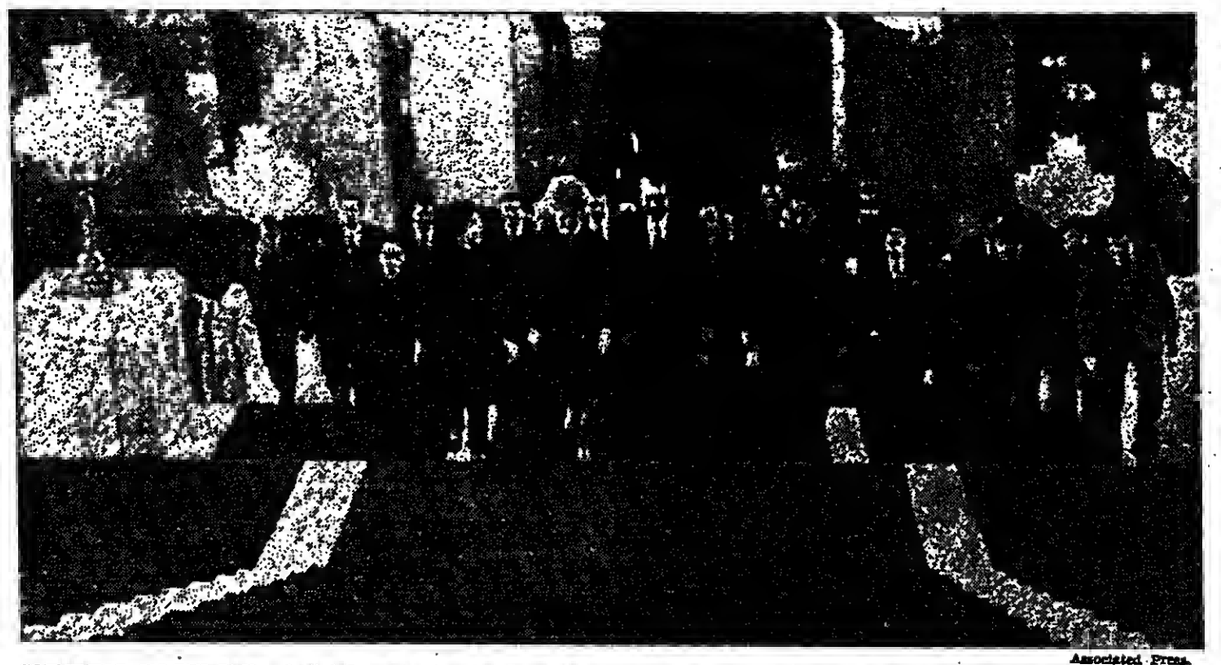
WEATHER

	C	F	
ALGARVE	12	54	Showers
AMSTERDAM	4	39	Overcast
ANKARA	2	36	Cloudy
ATHENS	13	55	Overcast
BEIRUT	15	59	Sunny
BELGRADE	9	43	Very cloudy
BERLIN	6	43	Cloudy
BRUSSELS	5	41	Overcast
BUDAPEST	4	39	Rain
CAIRO	20	68	Sunny
CASABLANCA	17	63	Very cloudy
COPENHAGEN	2	35	Overcast
COSTA DEL SOL	15	59	Very cloudy
DUBLIN	5	41	Overcast
EDINBURGH	5	41	Rain
FLORENCE	14	57	Cloudy
FRANKFURT	7	45	Cloudy
GENEVA	8	46	Sunny
HELSINKI	4	39	Very cloudy
ISTANBUL	10	50	Very cloudy
LAS PALMAS	14	57	Sunny
LISBON	12	54	Very cloudy
LONDON	4	39	Rain
MADRID	9	48	Partly cloudy
MILAN	1	34	Very cloudy
MONTREAL	—25	—13	Partly cloudy
MOSCOW	0	32	Sunny
MUNICH	1	34	Overcast
NEW YORK	—7	19	Cloudy
NICE	10	50	Rain
OSLO	2	36	Overcast
PARIS	4	39	Rain
PRAGUE	3	37	Overcast
ROME	14	57	Very cloudy
SOFIA	5	41	Overcast
STOCKHOLM	0	32	Rain
TEL AVIV	20	68	Partly cloudy
TUNIS	14	57	Very cloudy
VENICE	12	54	Partly cloudy
VIENNA	4	39	Overcast
WARSAW	7	45	Partly cloudy
WASHINGTON	2	36	Sunny
ZURICH	2	36	Overcast

(U.S., Canadian temperatures taken at 1700 GMT, others at 1200 GMT)

Associated Press.

FESTIVE OCCASION—Huge table, decorated and laden with food, faces President and Mrs. Nixon and Premier Chou En-lai, far side of table, at state dinner yesterday winding up the President's first day in China.



Associated Press.

CLIMBING TOGETHER—Official party led by President and Mrs. Nixon and Premier Chou En-lai and followed by host of aides, climb staircase lighted by huge chandeliers yesterday on way to the state dinner.

Nixon's First Day: Talk With Mao, Amity Toasts With Chou

(Continued from Page 1)

of most other domestic matters, had moved into orbits of their own.

By the time Mr. Nixon had spoken the magic word "friendship," at the end of his toast, everyone had learned the routine. Powerful spotlights encouraged the cameras forward and the table-hopping began as if on signal. The army band, which had already drawn applause for "Home on the Range" during the spongy bamboo shoots and egg-white consommé, now rendered an original and sweet version of "America" that went on and on and on while the principals smiled, clinked, milled and sipped from "sea to shining sea."

It was a particularly striking exercise for the men of the Nixon administration who had so long and earnestly deplored the diplomacy of mere "atmospherics."

(Mrs. Nixon, in a wine-red dress, stood demurely in her place during these commotions.)

Each of the leading diners offered two or three dozen toasts during each round of wandering. They seemed to be consuming more shoe leather than Mao Tai—the Chinese sorghum-base firewater that was in their glasses. But bottle-bearers were close at hand and Mr. Kissinger, among others, was seen taking at least two refills.

It was a striking celebration also because it occurred only eight hours after a rather minimal welcome ceremony for the President in Peking. Mr. Chou and his colleagues provided an honor guard and a high-ranking welcoming committee of government leaders, but they allowed no suggestion of popular enthusiasm and only a few signs of public curiosity.

The presidential party was annoyed not so much by this welcome, it said, as by news and television accounts that portrayed the arrangements as modest. Its spokesmen contended that nothing more had been expected. But the party was in fact intensely curious about the caliber of reception the Chinese would stage and was informed of the situation by radio from the airport only moments before the President's plane touched down in Peking.

Flexibility Stressed

Much of this visit had been elaborately planned with the advance parties camping here since Feb. 1. But much also had been left entirely to the Chinese hosts, so that very little had actually been revealed about the quality of the reception. Moreover, the two governments had also agreed to keep their formal schedule of conversations deliberately flexible so that they might be moved or extended as the discussions warranted. In any case, high-level talks on short notice is part of the regular routine to which foreigners in Peking have long been accustomed.

Whatever irritations there were passed quickly when Mr. Nixon's hosts arranged for a furtive change of schedule this afternoon and gave the President the relatively rare honor of an opening audience at Chairman Mao's home.

This was later described as a one-hour visit, from 3 to 4 p.m., involving a "serious and frank discussion." In Communist parlance this means a lot more than courteous chit-chat, but it also means that the talk was punctuated by a fair amount of disagreement. And the President's spokesman refused to go beyond that formula to explain how the talk went.

Nor would the President's party give the location of Mr. Mao's home. But it is known to be a graceful old, one-story, yellow-roofed residence along the lakes in the old Imperial City, one of a group of palace buildings formerly occupied by court Mandarins.

The President went with Mr. Kissinger, who arranged the summit conference in two visits here last year. Sitting with Mr. Mao were Premier Chou; Wang Hai-jung, the deputy director of protocol, and Tang Wen-sheng, an interpreter. The White House gave no explanation for the absence of Mr. Rogers. It said it was fair to assume that tea was served.

Mr. Mao usually holds himself in reserve until well into the program of a distinguished visitor. The President had been planning on an audience and had expected it to turn to more philosophical talk than some of the concrete policy discussions with Mr. Chou. Although two top-level meetings are said to be on no fixed schedule, there is now a distinct possibility that Mr. Nixon will meet with the chairman a second time, either here or at his vacation home in Hangchow.

The unexpected detour delayed the first Nixon-Chou conference for 90 minutes, until 6 p.m., and delayed the banquet by a half hour, to 7:30. But the conference was largely an opening formality anyway, for picture-taking and introduction of the two delegations.

The President and the premier are to meet in a small group tomorrow afternoon while Secretary Rogers and others meet separately with their counterparts.

Beads of bulbs lit up the tiled roof-lines of the colossal Hall of the People this evening to signal the celebration inside. Mr. Chou had invited the entire American press corps and the airline crews and other technicians traveling with the President. From the Chinese side came their hosts and interpreters and many scholars and journalists, military officers and other distinguished citizens, most of whom appeared to have some professional interest in American affairs.

As at the airport, there were no invitations for members of the diplomatic corps. This was to emphasize the "bilateral" and unusual nature of an affair of state between two governments that do not have diplomatic relations.

Peking's Distinction

By drawing his subtle distinctions between the U.S. government and the American people, Mr. Chou carefully held to this formula. The central and obvious purpose of this formula for Chinese policy has been to suggest that popular pressures are forcing changes in American policy and that China can encourage the process by meeting with Mr. Nixon without in any way betraying its claims of struggle against American "imperialism."

Mr. Nixon, by contrast, offered a much looser statement. He himself observed that "more people are seeing and hearing what we say than on any other such occasion in the whole history of the world" and thus he spoke not only to his hosts but to the vast audience beyond—perhaps principally to that audience.

He spoke about his daughter's birthday, about his hopes of peace and his vision of a new world. And the Mao quotation that he tacked to the end of his toast was actually from a revolutionary call to arms through which the venerable chairman predicted the tumultuous great proletarian Cultural Revolution eight years ago.

But on this night of paradoxes, with millions looking in, no one here seemed to notice.

2 Asia Scholars Differ on Wisdom Of Nixon's Trip

WASHINGTON, Feb. 21 (WP).—Two Asia scholars from Harvard University disagreed yesterday on the wisdom of President Nixon's trip to Peking.

"It's the best thing that's happened in 10 years and probably 20 years" in U.S.-China relations, declared China expert John K. Fairbank, director of Harvard's East Asian Research Center.

Not so, argued Edwin O. Reischauer, former ambassador to Japan and now a Harvard professor. The President's trip, he asserted, is "just plain quixotic" and probably "just a spectacular news story."

Mr. Fairbank and Mr. Reischauer were interviewed on the television program "Meet the Press."

Mr. Reischauer commended Mr. Nixon for taking steps to relax tensions with the Chinese but said, "His actually going to China, I think, is a mistake."

He said the Chinese may wrongly interpret the President's visit as an indication of U.S. subservience. To the Japanese, Mr. Reischauer said, "We seem entirely unpredictable and unreliable."

Mr. Fairbank argued instead that the United States must end a practice of "always talking down to others," and that the President's gesture is a step in that direction.

Ankara Planning To Insure Safety Of Cypriot Turks

ANKARA, Feb. 21 (AP).—Foreign Minister Haluk Bayulken said today Turkey was considering measures to insure the security of the Turkish Cypriot community, since a shipment of arms has not been surrendered by Greek Cypriots. He did not indicate what the measures might be.

The arms were delivered to forces loyal to Cyprus President Makarios, apparently in preparation for a possible clash with a rightist faction led by Gen. George Grivas.

Speaking in parliament, Mr. Bayulken noted that attempts by Greece, Turkey, Britain and the United States to have the arms handed over to a United Nations peace force have produced no results.

As long as the arms remain with the Greek Cypriots, the crisis and dangers on the island would continue, Mr. Bayulken said.

4,100 More GIs Leave Vietnam

SAIGON, Feb. 21 (UPI).—A total of 4,100 American troops left Vietnam last week, reducing the number of Americans still in the war zone to 127,100, the U.S. Command said today.

In addition to its weekly announcement on American military strength here, the command also said it was turning over to the South Vietnamese government a $59 million air base at Tuy Hoa on the central coast for future use as a civilian airfield.

Last week's withdrawals, the command said, reduced the size of U.S. forces in Vietnam to the lowest point since August 1965, when there were 100,300 U.S. troops here.

U.S. Red Party Sees Nixon, Mao United by Hatred

NEW YORK, Feb. 21 (AP).—A speaker at the 20th National Convention of the Communist party of the United States has criticized Chairman Mao Tse-tung's brand of Communism as "war-oriented, great-power chauvinism."

James E. Jackson, international secretary of the party, charged in the speech that Mr. Mao's aim was "the mystical ancient dream of the great Han nation" for world domination by China.

Mr. Jackson termed Mr. Mao and President Nixon an "odd couple" united by hatred of the Soviet Union and dreaming of "a new co-prosperity sphere to be carved into the Orient between them."

His speech was made Friday during a closed session of the convention and became available yesterday.

In other action yesterday, Angela Davis was unanimously elected as a delegate to the party convention. She is in prison in California awaiting trial on a murder charge.

Nixon's Remarks

PEKING, Feb. 21 (AP).—Here is the text of President Nixon's remarks in response to Premier Chou En-lai tonight:

I wish to thank you for the incomparable hospitality for which the Chinese people are justly famous. I particularly want to pay tribute not only to those who prepared the magnificent dinner, but also to those who have provided the splendid music I hear. I have never heard American music played better in a foreign land.

Mr. Prime Minister, I wish to thank you for your gracious and eloquent remarks.

At this very moment, through the wonder of telecommunications, more people are seeing and hearing what we say than on any other such occasion in the whole history of the world. What we say here will not be long remembered. What we do here can change the world.

As you said in your toast, the Chinese people are a great people. The American people are a great people. If our two peoples are enemies, the future of the world we share together is dark indeed. But if in the future we can find common ground to work together, the prospects for world peace are immeasurably increased.

In the spirit of frankness I hope will characterize our talks this week, let us recognize these points. We have had great differences at times in the past. We have great differences today. What brings us together is that we have common interests which transcend those differences.

As we discuss our differences, neither of us will compromise our principles. Although we cannot close the gulf between us, we can try to bring it so that we may be able to talk across it.

And so let us in these next five days start a long march together. Not in lockstep but on different roads to the same goal: a goal of building a world structure of peace and justice in which all may stand together with equal dignity, in which each nation, large or small, has a right to determine its own form of government free of outside interference or domination.

The world watches, the world listens, the world waits to see what we will do.

What is the world? In a personal sense, I think of my eldest daughter whose birthday is today. And as I think of her, I think of all the children in the world, in Asia, in Africa, in Europe, in the Americas. Most were born since the date of the foundation of the People's Republic of China.

Legacy to Young

What legacy shall we leave our children? Are they destined to die for the hatreds which have plagued the world? Or are they destined to live because we had the vision to build a new world?

There is no reason to be enemies. Neither of us seeks the territory of the other. Neither of us seeks domination over the other. Neither of us seeks to stretch out our hands and rule the world.

Chairman Mao has written, "So many deeds cry out be done and always urgently. The world rolls on. Time passes. Ten thousand years are too long. Seize the day. Seize the hour. This is the hour. This is the day" for our two peoples to rise to the heights of greatness from which we can build a new and a better world. And in that spirit I ask all of you present to join me in raising your glasses to Chairman Mao, to Prime Minister Chou and to the friendship of the Chinese and American people which can lead to friendship and peace for all the peoples in the world.

Argentine-Peking Link

BUENOS AIRES, Feb. 21 (Reuters).—Argentina has established diplomatic relations with the People's Republic of China, saying it recognized the Peking regime as the only legal government of China.

Chou's Remarks

PEKING, Feb 21 (AP).—Here is a partial text of the remarks of Premier Chou En-lai at a banquet tonight for President and Mrs. Nixon:

President Nixon's visit to our country at the invitation of the Chinese government provides the leaders of these two countries the opportunity of meeting to seek a normalization of relations between the countries and to exchange views on questions of concern to both sides.

This is a positive move in conformity with the desire of the American and Chinese people and is an event unprecedented in the history of relations between the United States and China.

The American people are a great people. The Chinese people are a great people. The people of our two countries have always been friendly to each other, but owing to reasons known to all, the contacts between the two peoples were suspended for over 20 years.

Now through the common efforts of China and the United States, the gates to friendly contact have finally opened.

At the present time there is a strong desire on the part of the Chinese and American people to work for the relaxation of tensions. The people and the people alone are the most important motive force in making world history, and the day will come when this common desire of our two peoples will be realized.

The social systems of China and of the United States are fundamentally different, and there are great differences between the two governments. However, these differences should not hinder China and the United States from establishing normal relations on the basis of the five principles:

1.—Of mutual respect for the sovereignty and territorial integrity of nations,

2.—Of mutual nonaggression,

3.—Of noninterference in internal affairs,

4.—Of mutual equality, and

5.—Of peaceful coexistence.

As early as 1955, the Chinese government publicly stated that the Chinese people do not want war with the United States, and the Chinese government was willing to sit down and negotiate. We have pursued this...

We hope to gain a clearer insight into the American way of thinking. And with this a new start can be made in relations between our two countries.

In conclusion, I propose a toast to the health of President and Mrs. Nixon, to the health of our other American guests, and the health of all the American people, and to friendship between the Chinese and American people.

Mrs. Gandhi Voices Warning On Any Decisions at Peking

NEW DELHI, Feb. 21 (Reuters).—Prime Minister Indira Gandhi declared today that India would not accept any decision taken at the current talks between President Nixon and Chinese leaders that would dictate terms to Asian countries.

Mrs. Gandhi told a public meeting here that "if the meetings between the American and Chinese leaders are meant to forge friendship," they are welcome.

"But apprehensions are being expressed that the talks are meant to forge some sort of a new power group. If it is so, India, though a small nation, will not be bound by any such decision which seeks to dictate terms to Asian countries."

At the same time, Mrs. Gandhi ridiculed what she called a view that the Nixon-Chou En-lai meeting was a threat to India.

She said India had welcomed talks. "Despite the indifferent attitude of China toward us in the past, India always worked for its admission to the United Nations.

"We warmly welcome attempts at forging friendly relations among countries. But, at the same time we consider as medieval and outmoded the talk of balances of power and spheres of influence."

Mrs. Gandhi warned that if new power groups and treaties were to come about as a result of these meetings, "present tensions in the world will not in any way lessen."

She also referred to North Vietnam, saying that the spirit and courage with which the Vietnamese had withstood onslaughts from a powerful nation entitled them to praise and admiration.

Hanoi Reaffirms Struggle

HONG KONG, Feb. 21 (Reuters).—The North Vietnamese press marked President Nixon's arrival in Peking today with a reaffirmation of the country's determination to struggle until final victory.

The North Vietnamese News Agency began today's transmission by citing Soviet criticism of President Nixon's eight-point peace plan for Indochina, described as a trick to mislead the peoples of the world.

The Hanoi daily newspaper Nhan Dan, in a front-page article, urged the nation to carry on the fight until final victory. It also reported the latest Viet Cong attacks in South Vietnam, and published photographs of five recently captured American pilots.

North Korea's leading newspaper, Rodong Sinmun, said of Mr. Nixon: "He is a rascal who is the first to make a mendicant trip with a white flag in one hand and with a beggar's bowl in the other." It also described him as "a drowning person shaking his fist" at North Korea.

Bunker Sees Thieu

SAIGON, Feb. 21 (AP).—Ambassador Ellsworth Bunker met with President Nguyen Van Thieu for 30 minutes today for talks believed to have dealt in part with Mr. Nixon's trip to China.

South Vietnamese newspapers, meanwhile, gave top billing to Mr. Nixon's visit and one paper quoted Mr. Thieu as saying the event would have no impact on the political situation here.

The Buddhist paper Cong Luan quoted Mr. Thieu as saying that the most that would result from Mr. Nixon's Peking visit would be a joint communiqué with Chairman Mao Tse-tung expressing "ordinary courtesies."

For results, Mr. Thieu was reported to have said, it will be necessary to wait until after Mr. Nixon's visit to Moscow in May because of the Soviet Union's close involvement with North Vietnam.

There was no official comment from Mr. Thien or the South Vietnamese Foreign Ministry on Mr. Nixon's trip.

Soviet Press Plays Down Nixon Visit

MOSCOW, Feb. 21 (Reuters).—The importance of President Nixon's visit to Peking would escape all but the most careful readers of the Soviet press today.

The report on the trip was given no more space than the U.S. Communist party congress, and both were on an inside page of the government newspaper Izvestia.

The only direct commentary came from Moscow Radio, which branded the visit as part of a Washington-Peking deal to split the world Communist movement.

The selection of items in the press made it clear to the careful reader that Moscow was extremely worried about the visit and its possible effect on the Indochina situation.

Pravda, the Communist party paper, and Izvestia confined themselves to comments from foreign Communist sources, all of which condemned Mr. Nixon's visit to China.

Izvestia quoted the French party daily L'Humanité as saying that closer ties between Peking and Washington could have "the most baleful consequences" for the peoples of Indochina.

The comment was repeated on Moscow television's 6 p.m. newscast, accompanied by a brief Tass report that Mr. Nixon and Mao Tse-tung had met. It was the last item before the sports news.

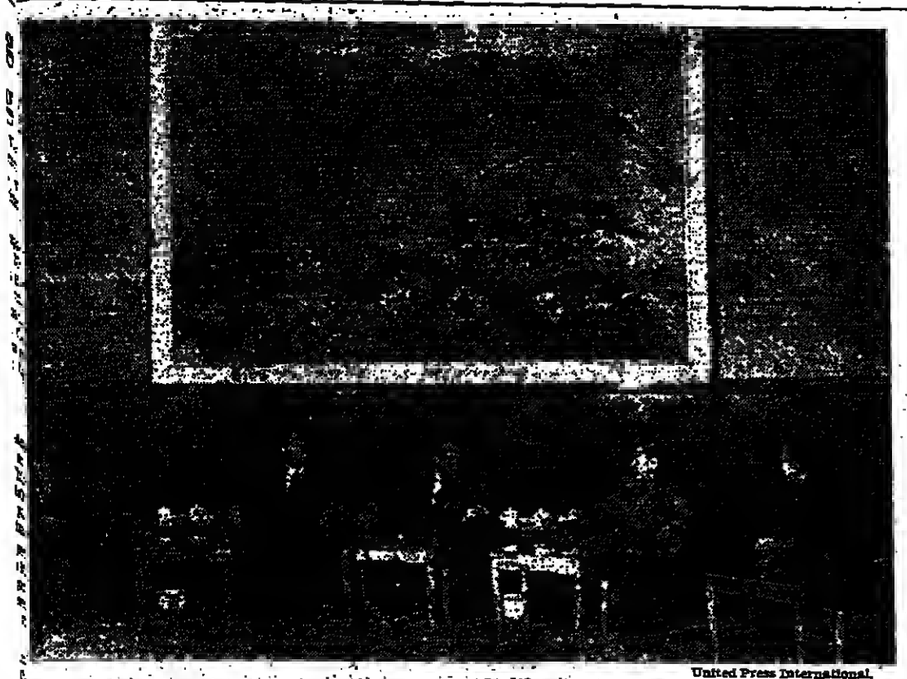
Later Moscow television showed a 30-second film of the President arriving at Peking airport and being greeted by Premier Chou En-lai.

Though the visit is being given minimal publicity in the press here, now that the President is in Peking, it has been preceded by a barrage of attacks on both Chinese and American policies.

Cuba Uses Swastika For 'X' in Nixon

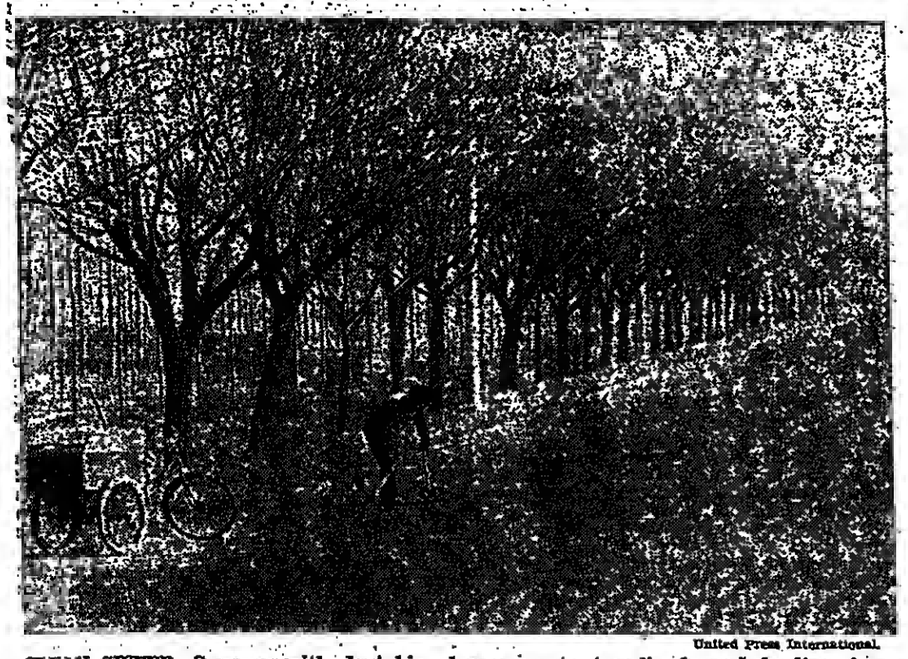
HAVANA, Feb. 21 (Reuters).—The official Cuban daily Granma today carried a front-page report without comment on the arrival of President Nixon in Peking.

As always, the letter "X" of President Nixon's name was written with a swastika.



United Press International.

PICTURE SETTING—President Nixon and Premier Chou En-lai sitting with advisers under huge painting in the Great Hall of the People where first meetings took place yesterday. From left: Dr. Henry Kissinger, Secretary of State William Rogers, President Nixon, Premier Chou and an unidentified Chinese adviser.



United Press International.

CLEAN SWEEP—Sweeper with dust bin cleans empty tree-lined road leading from Peking airport to the city proper just prior to arrival of President Nixon.

Nixon Signs Bill to Outlaw Dock Strike

He Acts in Peking; Walkout Already Over

WASHINGTON, Feb. 21 (Reuters).—President Nixon today signed in Peking legislation imposing arbitration on a dock strike on the West Coast of the United States.

From the traveling White House 10,000 miles away in Peking, he urged U.S. congressmen to approve legislation that would prevent similar strikes in the future.

The legislation he signed was not needed, because the strike ended during the weekend. But the White House here said the President's signature was symbolic, to show he welcomed the end of the 135-day stoppage involving 15,000 workers, the largest dock strike in U.S. history.

Labor Secretary James Hodgson told reporters he was in contact with the White House in Peking earlier today, shortly after Mr. Nixon and his party returned from an evening banquet. He spoke by telephone to presidential Press Secretary Ron Ziegler and to H.R. Haldman, White House adviser on domestic affairs.

"They were gratified by the end of the strike and buoyed by the festivities (in Peking)," Mr. Hodgson said.

A Return to Work

SAN FRANCISCO, Feb. 21 (AP).—West Coast longshoremen were returning to work in force today after overwhelming ratification of a new contract ending their 134-day strike, longest in American mainland shipping history.

A spokesman for the employers' Pacific Maritime Association said 57 crews were to work in San Francisco Bay ports. Seattle reported 17 gangs made up for today, with 10 more for the night shift.

In Portland, Local 8 of the International Longshoremen's and Warehousemen's Union said 800 men would be at work today.

In Los Angeles, a thousand dock workers were expected to begin handling 32 ships waiting to be unloaded.

71% Approval

The contract with the PMA was aproved late Saturday in a coastwide ballot that rolled up a 71 percent approval vote, the ILWU announced.

The PMA's 122 shipping and stevedoring firm members also voted Saturday afternoon to ratify the 18-month contract, subject to arbitration of the so-called "steady man" question.

The shippers want to keep the same crews working steadily on machinery which requires extensive training to operate. The union prefers to rotate all jobs to spread work among a membership which for the last decade has seen more and more jobs absorbed by automated and increasingly sophisticated equipment.

United Press International.

HOT STUFF—Demonstrating the dangerous inadequacies of present standards set by the flammable fabrics act, lawyer Herman Glaser shows a House Commerce subcommittee recently how a match put to an ordinary size 8 girl's nightgown causes it to burst instantly into flames. House subcommittee is at present holding hearings on consumer safety legislation.

In School-Integration Dispute

Nixon Overrides Some Aides, Leans to Busing Amendment

By Robert B. Semple Jr.

WASHINGTON, Feb. 21 (NYT).—Despite the misgivings of some of his staff and cabinet officers, President Nixon remains "very strongly interested" in a constitutional amendment to halt busing aimed at achieving racial balance in the schools.

A senior White House official said in an interview that several influential members of the White House staff supported such an amendment and that Mr. Nixon himself—while not foreclosing other means of responding to the busing issue—regarded a constitutional amendment as a "live" option in his search for some way of slowing the courts, protecting his political flank and defusing what he feels is a dangerous and divisive public issue.

Accordingly, the official said, a proposed constitutional amendment will be included in the busing-issue "option papers" presented to Mr. Nixon for decision after his China trip.

Agnew, Richardson

In statements last week that were taken to reflect White House attitudes, Vice-President Agnew and Health, Education and Welfare Secretary Elliot Richardson both expressed doubts about the wisdom of a constitutional amendment. But the official said these statements do not reflect Mr. Nixon's present thoughts.

Shortly before he left for Peking, the aide said, Mr. Nixon was told by his advisers that in two days of effort they had been able to construct an amendment which, they felt, would effectively restrain the courts from ordering busing in the future without at the same time repudiating other constitutional guarantees and rolling back 17 years of desegregation already achieved.

Yet they also told him that the amendment, as written, was extraordinarily cumbersome and "almost as long as the Constitution itself." Mr. Nixon said he understood the difficulties but asked them to shorten it.

The President's interest in such an amendment stems from several considerations, but the overriding reason appears to be one of politics and timing. While a lesser response—such as a presidential statement or speech—might enable him to ride out the present busing controversy, it will do nothing to prevent what he fears could be a major national uproar when schools open next September, barely two months before the election, under court orders requiring considerable busing.

Crisis Averted

A constitutional amendment, he is said to feel, would prevent such a crisis if approved by Congress and the states. If the amendment fails to win approval, Mr. Nixon can at least claim to have made his best efforts.

Mr. Nixon's aides insist that he realizes that the busing issue is only one part of the larger question of providing equal educational opportunity in America. He is also said to feel that if he takes a strong position against busing, he will be obliged to address himself "in a positive sense" to allied questions of providing better schools through new means of taxation and educational enrichment.

To this end, the President has ordered a cabinet-level group headed by George Shultz, director of the Office of Management and Budget, to make recommendations not only on busing but on other school-related issues. He is awaiting the results, due sometime in March, of a study of school financing being conducted by an independent commission headed by former secretary of defense Neil McElroy.

Narrow Escape From Iowa Jail

ROCKWELL CITY, Iowa, Feb. 21 (AP).—An inmate of the local jail escaped by stripping naked, dousing himself with soapy water and squirming through an 8-inch-by-13-inch (20 by 33 centimeter) slot in a steel door.

The slot is used to pass food to the prisoners.

"When we installed this thing, the steel door, I didn't think any man could possibly get through it," Sheriff Leroy Morgan said. The sheriff was away at the time.

He said William Tannenhill, 5-foot-9 and 160-pounds, was being held in lieu of $2,500 bond on a charge of auto theft. The sheriff said Tannenhill escaped once before in 1964. That time he sawed his way out.

Nixon's Trip Is Condemned By Taiwanese

TAIPEI, Feb. 21 (NYT).—Taiwan's National Assembly, as its first order of business at the initial working meeting of its current session, passed by acclamation a resolution condemning President Nixon's trip to the China mainland.

"Not only will it fail to contribute to world peace but it will make free-world countries lose their faith in the United States," the statement said.

The assembly also declared that the Chinese Communists were an "illegal rebel group" with "no right whatsoever to represent the people on the mainland" and maintained that Nationalist China would never change its "basic national policy" of recovering the mainland. "Under no circumstances at no time," the assembly said, "will there be room for negotiation or compromise."

Passed to Embassy

The resolution was forwarded to the Ministry of Foreign Affairs for presentation to the U.S. Embassy.

The 1,374-member National Assembly convenes once every six years, primarily to elect the country's president and revise the constitution. The current session opened yesterday with an address by President Chiang Kai-shek.

Taiwan newspapers carried brief wire-service reports today of President Nixon's arrival on the mainland. Government spokesmen have said that the press will carry all the "hard news" generated by the trip but will not publish feature or "color" stories that tend to glorify conditions in Communist China.

Associated Press.

PEOPLE'S ARMY—Some of the Chinese soldiers who were reviewed by President Nixon at the Peking airport.

India Army Chief To Visit Moscow

NEW DELHI, Feb. 21 (Reuters).—Gen. Sam Manekshaw, chief of the Indian Army, will leave for Moscow Wednesday at the start of a weeklong visit to the Soviet Union and Britain.

An announcement here said the general, 57, was going to Moscow at the invitation of the Soviet government. On Friday he will go on to London, the announcement said.

Although this will be his first visit to Russia since the signing of the Indo-Soviet friendship treaty last August, no great significance is attached here to the short trip. But India's needs, in repairing damage to its military machine in December's war with Pakistan, are expected to be discussed in Moscow.

United Press International.

FLAG RAISING—U.S. flag is hoisted on pole at Peking airport yesterday by Chinese soldier near a giant portrait of Chairman Mao Tse-tung just before the arrival of President Nixon for his historic visit.

AFL-CIO Urges U.S. to Finance Radios to East

MIAMI BEACH, Feb. 21 (UPI).—Top labor leaders joined President Nixon today in urging Congress to continue financing of Radio Free Europe and Radio Liberty.

"The closing of these vital communications with the captive peoples of the Soviet Union and Eastern Europe will be a clear sign of U.S. capitulation in the war to bring truth and courage to countless millions behind the Iron Curtain," the AFL-CIO executive council said in a statement.

Government subsidies for the two privately run radio systems will run out tomorrow unless Congress votes an extension of funds, and officials have indicated RFE and Radio Liberty will have to be shut down since private financing does not provide enough funds. The government, through the Central Intelligence Agency, has been supplying $36 million annually to them.

Chairman J. W. Fulbright, D. Ark., of the Senate Foreign Relations Committee, has urged that government financing be halted and the two stations be closed as a "relic" of the cold war. The Nixon administration has urged continued financing.

The Senate passed a bill to continue financing of the stations for one year through the secretary of state, rather than the CIA, while the House approved a bill backed by the administration to provide funds for two years. Only one meeting has been held between House and Senate conferees to iron out differences in the two bills, and no further meetings have been scheduled before financing expires tomorrow.

16 Die in Venezuela As Jet Hits a Slum

BARQUISIMETO, Venezuela, Feb. 21 (Reuters).—At least 16 people were killed and more than 20 injured today when a Venezuelan Air Force F-86 jet fighter crashed into a shanty town on the outskirts of this northwestern Venezuela city and burst into flames, an air force spokesman said.

Firemen fighting the flames which swept through the shanty town expect to find more victims when the fire is extinguished. The plane's pilot was seriously injured, the spokesman said.

As Government Opens Case

Berrigan Dismisses Lawyers In Bid to Speak at His Trial

HARRISBURG, Pa., Feb. 21 (Reuters).—The Rev. Philip Berrigan today dismissed his lawyers, including former U.S. Attorney-General Ramsey Clark, after Judge Dixon Herman denied his request to make an opening statement in his conspiracy trial here.

Father Berrigan, accused of conspiring to blow up federal buildings in Washington and to kidnap presidential adviser Henry A. Kissinger, dismissed Mr. Clark and two other lawyers, the Rev. William Cunningham and Terry Lenzner, "regretfully and with great pain," his co-defendant Eqbal Ahmed said.

Mr. Ahmed explained that Father Berrigan's action stemmed from his belief that he would be allowed to make an opening statement only if he represented himself at the trial.

Without Counsel

"At this point, Berrigan considers himself without counsel... and what the judge will do now, we don't know," Mr. Ahmed said.

A Pakistani Moslem formerly on the faculty of the Adlai Stevenson Institute, of the University of Chicago, Mr. Ahmed also said that the defense sought a mistrial because of its contention that the jury was prejudiced and had violated the "judge's own orders" not to discuss the case.

The government opened the trial today by charging that Father Berrigan and his six co-defendants had planned a series of "illegal destructive acts."

The chief prosecutor, William S. Lynch, said these alleged acts stemmed from their "very strong opposition" to the Vietnam war, he continued.

"If dissent against the war had taken the course of peaceful protest, we could not be here," Mr. Lynch, a deputy assistant U.S. attorney general, told the jury of nine women and three men, plus six alternates.

The four previous weeks of the trial were confined to jury selection.

Mr. Lynch argued, however, that the case concerns only criminal charges: conspiring against the United States by planning to kidnap Mr. Kissinger, by plotting to blow up the tunnels, by destroying draft files and by smuggling 24 letters in and out of the Lewisburg, Pa., Penitentiary where Father Berrigan was held in 1970.

He is serving six years for vandalizing draft files and wears dark blue prison garb in court.

Mr. Lynch said the government would take about a month to hear nearly 80 witnesses. "We probably could move faster but with so many defendants it's going to take time for extensive cross-examination," he said.

Germans Report Soft Landing on Moon by Luna-20

BOCHUM, West Germany, Feb. 21 (AP).—The West German space observatory said tonight that the Soviet moon probe Luna-20 made a soft landing on the lunar surface and has completed its first picture transmissions.

Director Heinz Kaminski said the landing occurred at 1919 GMT.

Luna-20 was launched Feb. 14 and went into moon orbit last Friday.

Mr. Kaminski said the craft's circular orbit fulfilled an important prerequisite for the "Soviet principle of weak-energy land operation."

The Russians had announced the launch but had given no details on the craft's mission.

U.S. Firms Urged By Clerics to Quit Southern Africa

WASHINGTON, Feb. 21 (UPI).—A 15-member ecumenical team of churchmen who visited South Africa last year has concluded that U.S. corporations should disengage from southern Africa.

"Most of us believe that American corporations should totally disengage from southern Africa; that the presence of American corporations in which we are shareholders undergirds the system of racism, colonialism and apartheid which prevails in southern Africa," the churchmen said in a report on their visit.

A minority of the panel, however, said they believe that "if American corporations adopted vigorous new policies they might, over a period of many years, make a contribution to improving the lot of the 'nonwhite' worker."

3 Climbers Die in Wales

CAERNARVON, Wales, Feb. 21 (Reuters).—Three teen-age British boys were killed yesterday when they fell about 400 feet during a climbing expedition on Mount Snowdon near here. The boys, part of an expedition from a London school, fell in icy conditions near the summit of the 3,500-foot mountain. They were identified as John Twyford, 15, Christopher Burn, 14, and Michael Wicks, about 14.

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

Page 4—Tuesday, February 22, 1972 *

The Two-Way Street

Americans in their capital yesterday morning, crunching their breakfast toast, could watch and hear their President exchanging a different kind of toast in Peking, half the world away. The toasts of Richard Nixon and Chou En-lai would be masticated by all the China-watchers, all the world's students and practitioners of weltpolitik. There would be grave debate about the exact meaning of the carefully modulated reception accorded the President of the United States at Peking's airport and in the streets of the heart of the People's Republic of China; the fact that Mr. Nixon was there at all would be accorded its proper importance.

But there was another fact that cannot be overlooked: the instant perception by much of the world on the TV screen of how the American President looked as he descended from his jet, how the Chinese premier grasped his hand; the expressions on the faces of the receiving dignitaries—and the expressionless lines of troops (who could give the Brigade of Guards lessons in precision) while the band played the anthems of two great nations.

To be sure, the world has seen the impossible on television—men walking on the moon. As against that, an American President walking on Chinese soil is merely highly improbable. But China is not a dead satellite; it is the home of 700 million people, engaged in a great social and political experiment. It is a vital segment of humanity and one which must be better known by its neighbors—and which must know its neighbors better.

Much has been made of the attempt by American diplomats and newsmen to cram up on Chinese history and present politics—with the implicit, or explicit, reproach that the United States has willfully barred its citizens from knowledge of China during the past twenty-two years. The fact that the same process takes place in less publicized fashion when diplomats and newsmen go almost anywhere in the world is overlooked; so, too, is the even more important fact that China, except for a handful of specialists, knows far less about the United States than America knows about China. Indeed, it is probable that China knows less about China than America does.

It is perhaps only a minor footnote to history that today marks the anniversary of the sailing, 186 years ago, of the first ship to carry the American flag (and American goods) to China. It took the Empress of China six months to span the seas between New York and Canton (the return took only 134 days; the Empress was fast for her day) and there was no television to mark the suspicious reception of Captain John Green by Chinese officialdom; only the 25 percent profit on the voyage of nearly 13 months engaged the attention of the merchants.

Whether Mr. Nixon's visit will be as profitable in terms of diplomatic accomplishment cannot yet be foretold. But China has become visible, not only to the United States but to the rest of the earth in a manner that was not true before the Nixon visit. Hong Kong, for example, just across the hills from the People's Republic of China, saw its first live broadcast from the mainland nation in consequence of the U.S. technology that preceded the President.

One may hope for much more, for two-way communication, for a vision of the world that goes beyond the Little Red Book of Mao's thought penetrating China, as well as a truer and more vivid picture of China reaching outward. Politically, it is devoutly to be wished that the spirit of the toasts exchanged yesterday morning may come to reality: That the United States and China may be friends despite differences. But it is equally to be desired that the peoples of both countries may come to learn just what those differences really are.

Saving Free Voices

For a generation now, Radio Free Europe and Radio Liberty have contributed enormously to enlarging the market place of ideas in Eastern Europe and the Soviet Union. Their transmissions have made available to those countries factual news of the outside world that the governments involved would have preferred their subjects did not know. In addition, these stations have broadcast the writings of such dissidents as Nobel prize-winner Alexander I. Solzhenitsyn, whose masterly novels and stories are prohibited in the Soviet bloc. A Library of Congress study of these stations, made at the request of the Senate Foreign Relations Committee, has paid high tribute to these organizations' contributions toward liberalization of the Soviet world.

But now both these stations are threatened with extinction today unless House and Senate conferees end a congressional stalemate. This situation arose because each chamber voted a different bill authorizing the continuation of these broadcasts.

If the deadlock kills Radio Free Europe and Radio Liberty, the chief gainers will be the Soviet bloc's hardliners who hate the two radio stations as allies of the liberal and progressive elements in the Communist world. Moreover, the demise of these broadcasts because of the inability of House and Senate conferees to agree would hardly project a flattering view of the American legislative system, nor would it add to American prestige for Europeans to see an important political question decided by a mere technical stratagem.

We believe the work of these two stations has a lasting validity and importance, but even those of a different view must realize that the existence of these organizations provides potential bargaining counters for President Nixon's Moscow visit next May. At the least, all concerned should be able to agree that a final decision on the future of Radio Free Europe and Radio Liberty cannot be made until Mr. Nixon has returned from the Kremlin and Congress can take a hard look at the post-Moscow situation of American foreign policy.

THE NEW YORK TIMES.

International Opinion

Nixon's Peking Visit

The Peking visit is as important in opening a new phase in international relations as was the Soviet-Western thaw after Stalin's death. As was the case with Russia, the new phase with China may take years to develop and will have periods of regression as well as advance. But it is reasonable to suppose that Mr. Nixon's visit marks decisively the beginning of a movement in Chinese-American relations away from ideological absolutes toward more pragmatic power diplomacy, from dogma toward dialogue, from the irreconcilable to the negotiable or, at least, to the manageable. . .

President Nixon's visit to China is an overdue recognition of international realities and opens the door to a more manageable future. But his summit meeting in Moscow will have more practical importance in ensuring that the world will have a future at all.

—From the Observer (London).

* * *

This will have important consequences for the future of Japan. The President's visit virtually means establishment of diplomatic ties. Sino-American relations will change from confrontation to dialogue. This will contribute much to the easing of tensions in Asia.

It is considered certain that agreement will be reached on exchange of newspapermen, athletes, doctors, engineers and cultural personages. Expansion of trade and establishment of a hot line between Washington and Peking will also be agreed upon. Agreements of this kind should not surprise us.

The question is whether any agreement of a qualitatively higher nature will result in, for instance, establishment of air routes, American loans for exploitation of natural resources in China, technical aid, exchanges of governmental missions, or a visit by Chou En-lai to the United States. This kind of agreement would mean all but normalization of relations, which will place the United States ahead of this country in improving ties with China. That will certainly be a shock to our government.

On the question of Taiwan, there will be no agreement so long as the United States sticks to its commitment to the Kuomintang regime.

China will surely point out the danger of a revival of Japanese militarism and ask the cooperation of the United States in preventing it. How will Nixon deal with this? The U.S. administration is believed to be of the opinion that the U.S.-Japan mutual security setup is necessary not only for peace and security in the Far East but also to prevent a revival of Japanese militarism.

If Nixon were to come out in defense of the U.S.-Japan security treaty from this standpoint, this would have an undesirable effect on U.S.-Japanese relations.

—From Mainichi Shimbun (Tokyo).

In the International Edition

Seventy-Five Years Ago

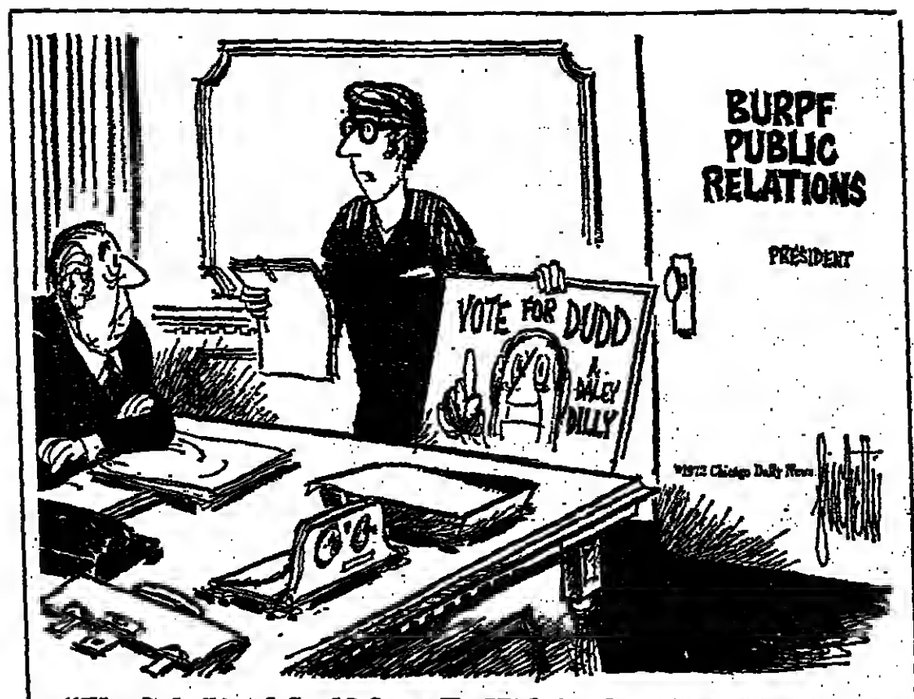
February 22, 1897

PARIS—Our Havana correspondent sends by commercial cable a despatch in which he declares that General Lee has asked for a United States warship to be sent to Cuba and intimates that he will resign if his efforts to secure the release of Americans in Cuba are not backed up by the administration in Washington. At any rate, things are evidently approaching a climax in Cuba, as far as its relations with the United States are concerned.

Fifty Years Ago

February 22, 1922

BERLIN—The government is introducing a drastic bill for the prevention of the spread of venereal disease. The new measure would give the health authorities the right to compel sufferers to undergo treatment. Persons found spreading the disease and persons who conceal the fact that they are sufferers and marry, are liable to a very heavy fine and up to three years' imprisonment. The situation has become alarming. The government is right.



"The Only Line I Could Come Up With for Our Client Was 'Throw the Rascal In.'"

Nixon's Arrival in Peking: 2 Views

By William F. Buckley

With this dispatch, the International Herald Tribune adds Mr. Buckley, editor of the National Review, to the columnists appearing regularly on this page.

PEKING.—In the summer of 1968 my brother was running, prematurely, for the Senate, and the organization put together an arrival-motorcade picnic. It became legendary, the subject of continuing amusement, so that in New York Conservative party circles one had only to refer to the "Rochester picnic" to summon forth great visions of human emptiness.

There were more people at the Rochester picnic-motorcade than there were here in Peking to greet President Richard Nixon at what he had classified as the most important summit meeting of the century. Was he surprised? The press are speculating on the subject.

One of them reports having heard a Secret Service representative, talking by radio to Air Force One, saying "Roger, no crowds." If that is so, Nixon's warning of the forthcoming fiasco came about five minutes before he landed. He went through the gaunt ritual with the kind of smile you wear on your face when you congratulate the man who beat you in the election. And as they stood there at attention during the playing of the two national anthems, they looked—Mr. and Mrs. Nixon, Chou En-lai, William Rogers, Henry Kissinger, the lot of them—like wax figures in Tussaud's Museum, and one experienced a sense of surprise that, the music over, they should have come to life—to march on bravely in the silence, no music, no applause, no bustle, no crowd-roar, to review the honor guard, there to do its listless bit.

No Traffic Halts

The motorcade swung dutifully, 50 minutes into the heart of Peking. The only crowds were toward the end, in the thick of the city. And these weren't Chinese aging to see the President of the United States, but Chinese en route at lunchtime from one side of the avenue to the other, stopped by police until the processions went by. That would appear to have been the single concession of the governors of the People's Republic of China: They did not make President Nixon stop for red lights. They joked about it; at the press table, one correspondent reflecting on the tumultuous recent public reception given to Haile Selassie, remarked that well, after all, the Ethiopian government is older than the American government.

A second wondered whether the Western press hadn't underestimated the success of the cultural revolution. "Maybe the Chinese we saw are all there are left."

But through it, Chou En-lai's shaft had penetrated. There was wounded pride in the air. From the point of view of the Chinese Communists, it was a masterstroke. Throughout, we have positioned ourselves as the supplicants; they are the presence which, hearing the "knock on the door"—Chou En-lai's words—permitted the visitor an audience.

As late as early Monday morning, an exuberant Nixon was telling the press, as he set out from Guam, that the scheduled sessions with Chou were for two hours, but that he would be willing to protract those sessions—"I am willing to participate in the talks as long as our hosts want to."

Everyone knows that, in a totalitarian country, the size of a crowd tends to be the decision of the mastermind. But Richard Nixon has seen crowds reach up, piercing the screen of official impassivity, to touch his hand. It was so in Poland in 1959 when he was vice-president, and hundreds of thousands of Poles, shaking off the official chill, cheered and cheered and cheered.

In Peking, to judge from appearances, it isn't so much that the people are hostile to Nixon as that they are supremely indifferent to him. Remember, we are here among e people who have not yet been informed that an astronaut walked on the moon in 1970. Nixon is the leader of the imperialist forces, the President of the country without whose protection the Red Chinese would bloodily re-annex Formosa.

Even about hobgoblins, there is curiosity: Hitler is a good draw. But—again, to judge from appearances—Chou did not need to keep them away. There were no cordons at the airport, no sign of buses stopped or re-routed. The public point was made: Nixon wanted to see Chou, came here under official sufferance, and received a greeting far far less enthusiastic than would have been given to Albania, than was recently given to Romania. Now to work.

'Poor Mr. Nixon'

Meanwhile, poor Mr. Nixon. His staff bravely advertises his foreknowledge of the reception but he will be saddled with something like that haunting picture that followed President Harry Truman around for a while in 1948. It was in Omaha, in the spring, and there was the President to deliver a speech in a massive auditorium: with perhaps 120 people in it.

It was a real show-stopper here this morning. There cannot have been more people at the airport than were coincidentally there when Henry Kissinger arrived anonymously last July. It was an end to the spectacular, a drastic historical compression of what happened when Woodrow Wilson went to Paris in 1919, arriving like Napoleon, and leaving months later utterly unnoticed.

I am glad it happened. Glad, paradoxically, for Nixon's sake, for our sake. Illusions shouldn't be numerous, or force-fed by crowds.

By Joseph Kraft

PEKING.—"Why shouldn't we negotiate with President Nixon?" Premier Chou En-lai asked a recent visitor. "After all, we negotiated with Chiang Kai-shek."

That comment expresses the basic Chinese approach to President Nixon's visit. It is a defensive approach, which explains the frosty reception accorded Mr. Nixon on his arrival. But, as the President's reception by Chairman Mao suggests, it is not necessarily unfavorable to useful talks.

The negotiations with Chiang Kai-shek are, of course, a set piece in Communist history. Just before those talks got under way, back in 1945, Party Chairman Mao Tse-tung circulated a secret analysis of the Communist objectives.

They were to "gain the political initiative... win the sympathy of world opinion... and legal status... and a state of peace." At the same time Mao stipulated that there would be "limits to the concessions" made in return for those goals. That 1945 analysis was recently circulated anew to the party faithful here in China as a kind of guide to the President's visit. And, in fact, the similarities between then and now are striking.

Coming-Out Party

For one thing, Mr. Nixon's visit, like the talks with Chiang, is a kind of coming-out party for the Chinese Communists. After years of preoccupation with internal affairs, they are coming onto the international stage. They naturally want to cut the best figure they can.

Peking is now putting its very best foot forward. The shops are full of fish and vegetables and fruits. Fresh paint adorns many buildings and signs, including those at the great Gate of Heaven square. Chinese and foreign classics have reappeared in the bookstores for the first time since the Cultural Revolution.

A particularly striking effort has been made to impress the American journalists accompanying Mr. Nixon. We are being fed royally, supplied with all kinds of professional help, and taken on arranged tours of the city and its main features. The press center which the Chinese have set up is a model for any country.

Beneath the smooth surface, however, the scars of China's recent troubles are visible. The list of officials who showed up to greet President Nixon, for example, was mainly remarkable for the number of acting and deputy ministers. That list in effect announced that the recent leadership troubles have, among other things, caused the removal of the minister of defense, the minister of state security, and the party boss for Peking.

With so many wounds so evident, the Chinese leadership has to be wary that outsiders may try to take advantage of this country's weakness. So there is an abundant show of strength aimed at dissuading anybody from trying to apply the pressure.

Cool Reception

The chief mark of this defensive attitude was the cool reception given President Nixon on arrival. It took deliberate organization to produce, in a country of 700 million, the pitiful little groups that gathered to watch Mr. Nixon at the airport and on his ride through town. It was a case of showing the American President how little leverage he had on the Chinese people.

The message was sharpened by the treatment of the diplomatic corps here in Peking. Some ambassadors from allied countries—namely France and Canada and Australia—had thought to salute Mr. Nixon as he flew into town. They were told that they needed passes to come to the airport, and that no passes would be issued. It was a studied effort to show Mr. Nixon and the world that the talks would be bilateral and would not hurt any of China's friends.

Similarly with the slogans that now festoon Peking. Many with harsh anti-American themes have come down. But the Chinese have retained a large number which show they have no thought of reneging on basic commitments to Communism and to Communist countries. One at the airport said: "Resolutely support the revolutionary struggles of the peoples of Asia, Africa, and Latin America."

What all this means is that despite their recent difficulties the Chinese are determined not to be used by the United States. They are not going to be mere scenery for a sockeroo political triumph by President Nixon. Neither are they going to sell out their allies in Vietnam.

Getting clear about that is a useful beginning. The way has been opened for the United States and China to stop having a thing about each other. And while that gain may seem small, it has the enduring character which goes with endorsement by President Nixon and Chairman Mao.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials, but preference will be given to those fully signed and bearing the writer's complete address.

U.S. Ends Illusory Phase

China and Vietnam

By Anthony Lewis

LONDON.—President Nixon's visit to China, whatever else it may or may not do, marks the end of an illusory phase in American policy. Instead of applying a devil theory to the People's Republic, we now admit to ourselves that it has legitimate national concerns—and in any case is there to stay. In short, we have stopped fooling ourselves that we have the power to fight history in that part of Asia.

The contrast that cries out is with our policy in Vietnam. For Nixon and his advisers still evidently believe that the United States can impose its views in that part of Asia—that there we can fight history.

What is Nixon's Vietnam policy? Fundamentally, it is to maintain Nguyen Van Thieu in office in Saigon. The disclosures of the secret talks between Henry Kissinger and Le Duc Tho make emphatically clear that the United States would do nothing that really threatened Thieu. That is why the offer of a total American withdrawal was conditioned on a cease-fire. That is why the proposal for fresh elections with the Communists taking part would have Thieu resign just a month before and leave his cohorts in charge—an idea whose supposed fairness would not fool a child.

Moral Issue

Nixon and those who back his policy are trying these days to make American support for Thieu a moral issue. It would be dishonorable to abandon our commitment to a small and faithful ally, they say, and Sen. Edmund Muskie was virtually treasonous to make the suggestion.

But the American obligation, whatever its limits, is to the people of South Vietnam. It is not to any particular politician, and certainly not one whom we effectively installed.

By now the effect of the American war on the people of Indochina is so familiar that the images have lost their impact. There are the 4 million pounds of bombs still being dropped daily, the forests destroyed by chemical agents so deadly that we now are worried about disposing of the surplus, the 100,000 casualties and refugees caused by American bombing every month.

Are we justified in doing all that to keep Nguyen Van Thieu in office? That is the real moral question.

Sooner or Later

Sooner or later, the United States will have to accept that North Vietnam is the strongest power in Indochina. To go on struggling against that reality to maintain an anti-Communist government in Saigon can be done only at an appalling cost to ourselves and to the Vietnamese.

The irony is that that kind of cost made sense at all, historically, only in terms of "containing China." Now that notion has been abandoned. Nixon's formula for perpetual war in Indochina is in fact inconsistent with his own doctrine that America can no longer settle the fate of other nations.

The sad thing is that there might just have been a chance for the United States to get out with honor last summer—before the South Vietnamese election that Thieu rigged for himself.

At that time Le Duc Tho indicated that Hanoi might agree to a simple exchange: release of American prisoners in return for a total end to American military activity. The official American view is that Hanoi would never really have agreed, would always have insisted on the removal of Thieu as part of the price. But Le Duc Tho clearly had the election in mind, knowing that it would be affected by a declared U.S. intention to withdraw.

If those who make American policy had been willing last summer to offer total withdrawal in exchange for the prisoners, their moral position would be stronger now. They would not have to pretend to having made the offer, and they could fairly criticize the other side if it had said no. It—but we shall never know, because the offer was not made.

Warning

The critics warned last summer that a failure to break with Thieu before his election might make our extrication from Indochina even more difficult. That is clear now.

With Thieu's grip that much stronger, Hanoi is insisting that we help to loosen it by stopping military aid to Saigon. That is a painful price indeed. But we may now have to pay it, as part of undoing the distortions we have caused in Southeast Asia by our alien presence. For the alternative is much worse: to go on killing indefinitely, to fight history, to forget the prisoners.

After all, Nixon knows the political commitments do not last longer than the reasons for them. After swearing undying support of Chiang Kai-shek for years, he has just said in his State of the World message: "The ultimate relationship between Taiwan and the mainland is not a matter for the United States to decide."

Some day some President will apply that wisdom to Indochina.

Letters

'Grand Larceny'

I have been waiting in vain for an editorial taking the real villains of the sordid Irving-Hughes affair to task. The fact that tasteless, greedy publishers fall over each other in their haste to dispense a $650,000 advance (advance, mind you!) for utter trash created the situation that Mr. Irving and others took advantage of. Publishers are business men and as such are expected to make a profit, but when they pay $500,000 to edify us with the information that Mr. Hughes wears sneakers because he has athlete's foot they do the public and the publishing business a disservice. Something is dreadfully wrong with their priorities when struggling, gifted authors go from publisher to publisher in an often vain effort to get their books accepted, let alone extract the paltry $1,500 advance usually accorded them. The real "Rather (not so) Grand Larceny" (IHT Feb. 16) is actually being committed by the publishers who deny the public works of merit in order to print rubbish.

VICTORIA VON HAGEN.

Paris.

Languages

From Betty Werther's article on language learning (IHT Feb. 11), can we assume that the French Department of Education would allow "regional languages" to be taught in the schools of Brittany, Corsica and the Basque country? Now that modern technology has evolved sophisticated techniques of teaching languages, now that linguistics is becoming "an empirical science," stressing the importance of understanding and speaking before reading and writing, is anything to be done for those "underprivileged children whose vernacular often quite handicaps them in their own country"?

The answer France gives to these questions will show how democratic this country still is. At a time when language movements, like GALV in Brittany, are struggling to achieve cultural a[illegible] official recognition for those la[illegible] guages spoken by millions daily [illegible] actual figures are unknown, sh[illegible] no census has ever been made [illegible] there has to be some step tak[illegible] The French government shou[illegible] be smart enough so as to reali[illegible] it has nothing to gain from t[illegible] suppression of vernaculars th[illegible] have little to do with foreign la[illegible] guages as studied by a cultiv[illegible] ed "elite" in the early part of t[illegible] century.

There are 2,000 langua[illegible] spoken throughout the world [illegible] day. In spite of a general te[illegible] dency toward one or two "lin[illegible] franca," it is doubtful whet[illegible] smaller languages will disappe[illegible] But the time will come when [illegible] Dutch, for instance, have Du[illegible] for their mother-tongue and [illegible] glish as a second language. A[illegible] I suggest that a bilingual Du[illegible] speaking Dutchman is of con[illegible] erably more interest than a u[illegible] lingual English-speaking Du[illegible] man?

PHILIPPE LE SOLLIE[illegible]

Paris.

Gideon's Victims

Anthony Lewis has writte[illegible] tear-jerking "Epitaph" on American convicted thief Gi[illegible] (IHT Feb. 12-13), who was [illegible] acquitted on the grounds tha[illegible] had no lawyer at his first t[illegible] The epitaph ends with the [illegible] that "he will not be forgott[illegible]

I wonder if Mr. Lewis or a[illegible] one could now give "equal ti[illegible] with a three-column headlin[illegible] Gideon's victim(s), and tel[illegible] all about them too. For im[illegible] discriminatory that colum[illegible] should glorify the cause of [illegible] criminal, describe how gaunt [illegible] frail he was, tell us about [illegible] childhood, his mother, his [illegible] story" in the Supreme Court, [illegible] never, but never, a single [illegible] about his victim?

N. G. CUMMI[illegible]

Athens.

Editor's Note: Gideon [illegible] acquitted on retrial.

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United Press International

LAST ROUNDUP—Just like the old days, as cowboys drive herd of cattle through small town of John Day in Oregon. They are being moved from their winter grazing lands back to the main ranch some 38 miles away and have to be driven through the towns of Canyon City and John Day to reach their destination.

Reds Want Port, Ouster of Two Aides

Egypt Said to Bar Soviet Deal for Arms Plant

NEW YORK, Feb. 21 (AP).—Newsweek magazine says that the Russians have offered to set up a sophisticated arms-manufacturing operation in Egypt in exchange for permanent port facilities there and the ouster of two prominent political figures.

But the magazine added that Egyptian President Anwar Sadat is expected to reject the proposal as "relations between Cairo and Moscow appear to be deteriorating at the highest level."

Newsweek's report was sent from the Egyptian capital by senior editor Arnaud de Borchgrave and headlined "Cairo puts the Chill on Russia."

It said the men Moscow wanted removed are Egyptian War Minister Gen. Mohammed Ahmed Sadek and Al Ahram editor Mohammed Hassenein Heikal, who has long been a government mouthpiece.

The internationally circulated newsweekly said Gen. Sadek, who once tried hard to get along with the Russian military, now symbolized the worsening relations. It said Gen. Sadek is reported to have recently told a group of his senior military officers:

"If you feel like kicking your Russian adviser in the butt, please do it discreetly. I don't want any open clashes." Shortly thereafter, however, he ignored his own advice and ordered a Soviet general out of the country on 24-hour notice for having called Egypt an 'unfaithful mistress'."

Newsweek also reported that when a visiting Soviet delegation recently took Mr. Heikal to task for a strongly-worded anti-Soviet column in Al Ahram, the editor snapped back: "I am an Egyptian concerned about Egypt's national interests just as you are Russians concerned with your own national interests. The two don't necessarily coincide."

It added:

"Even Sadat managed to get a recent snub in by pointedly refusing to fly to Moscow in the Russian jet sent to pick him up. He traveled instead in one of Egyptair's new Boeing jets."

[Al Ahram reported today that the Soviet Union has agreed to supply Egypt with 16 jet airliners to renew its present commercial fleet.

[Minister of Civil Aviation Ahmed Nouh said yesterday that Egypt will purchase eight Yak-40 short haul and eight Tupolev-154 medium range jet passenger airliners to replace the outdated Egyptian fleet of Ilyushin-18 and Antonov-24 aircraft.]

"The crux of Cairo's irritation with Moscow is the growing belief that the Russians are not giving enough assistance to enable Egypt to wage a successful war against Israel, and some recent Soviet meddling in Egypt's internal affairs, the article said.

"Among . . . recent actions pointing up a growing split between the two countries are the virtual ostracizing of Soviet advisers serving with the Egyptian Army, the forced retirement of those Egyptian Army officers who consider Sadat anti-Soviet, and the thorough purging of Mukhabarat, the Egyptian spy network once heavily infiltrated by Soviet agents," the article said.

Grechko Leaves Egypt

CAIRO, Feb. 21 (NYT).—A communiqué made public here today on a three-day visit by Soviet Defense Minister Andrei Grechko said his talks with Egyptian military leaders had dealt with issues of developing and intensifying "Egypt's combat capabilities."

Marshal Grechko, who left today for Moscow, expressed "satisfaction with the standards of training and combat efficiency of the Egyptian armed forces."

The Soviet defense chief visited Egyptian military positions along the Suez Canal last Saturday.

The tone of the communiqué appeared intended to rebut speculation abroad that a strain had developed between Egypt and the Soviet Union on questions of Soviet assistance for an Egyptian military build-up against Israel.

4 Iran Guerrillas Sentenced to Death

TEHRAN, Feb. 21 (AP).—An army tribunal Saturday sentenced to death four guerrillas on charges of attempting to overthrow the regime, illegal possession of arms, attempting to kidnap the shah's nephew, Prince Shahram, and propagating Communist ideologies.

Three other members of the same group were sentenced to 10 years imprisonment and another four to jail terms ranging from three to eight years. The group was held responsible for hijacking an Iran airplane in 1970.

Israel Setting Date for Visit Soon by Jarring to Jerusalem

NICOSIA, Feb. 21 (UPI).—Israeli Ambassador to Cyprus Rahamin Timor said tonight UN Middle East peace envoy Gunnar V. Jarring will visit Jerusalem within the next two or three days.

"I just returned from my second meeting with Mr. Jarring and we agreed that he will visit Jerusalem in the coming days," Mr. Timor declared late tonight.

The Israeli ambassador met Mr. Jarring for the first time early today at the latter's request.

The second meeting between Mr. Jarring and Mr. Timor followed an Israeli government announcement in Jerusalem that Mr. Jarring had expressed his desire to visit the Israeli capital.

"The date of Mr. Jarring's visit to Jerusalem will be set tomorrow during our next meeting," said Mr. Timor.

Mr. Jarring flew to Nicosia unexpectedly last night after three days of talks with Egyptian officials in Cairo.

Today he met Mr. Timor and Cypriot Foreign Minister Spyros Kyprianou.

"Mr. Jarring indicated that he has undertaken a reactivation of his Middle East peace mission," said a Cypriot government source after the meeting with Mr. Kyprianou.

Mr. Timor said that, after his visit to Jerusalem, Mr. Jarring was likely to return to Nicosia.

A Cypriot spokesman said that Mr. Jarring called Nicosia "the headquarters of his mission."

Mr. Jarring's mission broke down last February after Israel refused to adhere to his request for a commitment to withdraw completely from Arab lands occupied in the 1967 Middle East war.

Since then, Israel has said it is willing to meet Mr. Jarring and take part in his mission, but only if he drops the request for prior commitments to negotiations.

Meanwhile, in the Sinai hundreds of persons today watched Israel's biggest military maneuvers since the 1967 war. The war games today were complete with a blow-by-blow radio commentary.

Members of the Israeli cabinet and parliament, led by Defense Minister Moshe Dayan, all the country's top generals, foreign military attachés and newsmen saw hundreds of Centurion and Patton tanks and American-built armored personnel carriers, filled with regular soldiers and paratroops, launch a massive attack on what briefing officers described as a "classic Soviet defensive position."

Overhead Phantom, Mirage and Skyhawk fighter-bombers flew cover for the attacking armored force. The jets swooped out of the Sinai Desert haze in low-level bomb, rocket and napalm attacks.

As the Israeli armored column attacked its imaginary enemy with live ammunition, radio signals between the attacking units were broadcast over a public address system to the watching crowd. Senior military officers gave a running commentary in English and Hebrew.

The division-scale maneuvers, of both regular and reservist troops, began last night and will end tomorrow night, a spokesman said.

Israel informed Egypt, through the UN truce supervisory organization, that it was holding the maneuvers, to avoid possible misunderstandings.

Algeria, Libya, Iraq Offer Bail For Accused Wasfi Tell Killers

CAIRO, Feb. 21 (AP).—Two lawyers from Algeria and Iraq told an Egyptian court today that their countries' presidents are ready to provide bail for four Palestinians accused of assassinating Jordanian Premier Wasfi Tell.

A similar offer was made at yesterday's hearing on behalf of Libyan leader Col. Moamer Qadhafi.

The four defendants have all pleaded guilty to gunning Mr. Tell down on the steps of Cairo's Sheraton Hotel last November. Defense lawyers are seeking their release on the ground that Mr. Tell was a "war criminal" because of his role in King Hussein's crackdown on the Palestinian guerrillas in Jordan in 1970.

Hearings began Saturday and will continue tomorrow. The four Palestinian defendants remain in custody.

In another legal case here involving foreigners, Egyptian prosecutor Salah Nassar charged yesterday that a Frenchman and a Belgian committed two crimes, of which one is punishable by life imprisonment at hard labor, the Middle East News Agency reported.

Mr. Nassar identified the Frenchman as Jean Marc Vuaux, a Sorbonne student, and the Belgian as Jacques Pierre Joseph, a resident of Brussels.

The crimes committed, according to Mr. Nassar, were:

- Spying for an enemy country (Israel), punishable by life imprisonment with hard labor.
- Instigating harmful anti-Egyptian propaganda in time of war, punishable by imprisonment.

Investigations are continuing to "ascertain the full ramifications of the case," Mr. Nassar said. The two men and a third named here as Herian Pierre, son of the Belgian, were arrested last week and are being detained pending completion of the investigation.

Mr. Nassar, addressing a news conference closed to foreign reporters, said the two defendants admitted they were recruited by Israeli intelligence agents and were instructed to come to Cairo, where they "mailed several letters to residents within Egypt."

The letters, he said, were from a secret organization calling itself the Egyptian National Front. The letters criticized the government and the Russian presence in Egypt, he said.

Who Wrote 'War and Peace'? Don't Ask U.K. Trainee Teachers

LONDON, Feb. 21 (AP).—"Who wrote 'War and Peace'?" hundreds of British trainee teachers were asked.

Among their answers—Sir Winston Churchill, Leon Trotsky, Graham Greene, Thomas Gray.

Surprisingly few put down the right answer—Leo Tolstoy.

And that was not all. Most of the future teachers questioned showed they knew next to nothing about literature, art, music or architecture, by flunking a 50-question general knowledge test.

The results were reported today by Wilfred Hopkins in the magazine Educational Research.

In all, 586 students at teachers' colleges in Manchester, Glasgow and Liverpool took the test. One in four managed to get 90 percent of the answers wrong. The average score was about 30 percent right.

"It is debatable whether students with such extremely low scores can be said to be educated," Mr. Hopkins concluded.

Venezuelans Receive U.S. Submarine

Limits Set on Arms For Latin America

By Lewis H. Diuguid

CARACAS, Feb. 21 (WP).—Secretary of Defense Melvin R. Laird's declaration last week that the United States intends to limit arms sales to Latin America came just as Venezuela was taking delivery of an American submarine and the first of 20 supersonic fighters from Canada.

Mr. Laird's statement that sales would be avoided where an arms race could result was almost certainly made with Venezuela and Colombia in mind. Both have increased weapon purchases since a border dispute developed in recent years over the Gulf of Venezuela, which is believed to cover a wealth of petroleum.

The day after Mr. Laird's statement, Venezuelan President Rafael Caldera pointed out that arms are readily available in Europe. Colombia has contracted to buy 18 French Mirage supersonic aircraft. Venezuela also is buying 15 of them, in addition to the 20 American-designed, Canadian-made CF-5As.

In the 220-page report on defense policy distributed last Tuesday in Washington, Mr. Laird acknowledged that Western Europe was cutting into the United States position as the main supplier of arms to Latin America.

"Nevertheless, we shall continue to review most carefully private sales of military equipment even to close allies, and to refuse them when regional security or other U.S. interests would be adversely affected," he said.

Legal Restrictions

Congress has sharply restricted the U.S. military aid program in Latin America, and there is some pressure for eliminating such programs altogether as detrimental to the area's economic development. Private U.S. arms sales are licensed by the government.

In a news conference Wednesday, President Caldera said it is "most laudable" to desire "not to provoke overarming," but added that it is also "perfectly demonstrable" that sometimes "the manner of understanding or applying the measure" fails to contribute toward that end.

"Furthermore," he added, "experience has demonstrated that the United States is not the only provider of arms, and that until now no Latin American country can be accused of overarming or of exhibiting aggressive aims."

Earlier on the same day, Mr. Caldera attended the arrival of the U.S. submarine—Venezuela's second—which, he said, was offered "on very favorable terms."

According to a U.S. Embassy official, "it is a $7 million submarine sold for $150,000." The sub is considered obsolete by U.S. Navy standards. Colombia is said to be buying two German submarines to match Venezuela's.

U.S. Offered F-5s

The United States had hoped to sell Venezuela 20 F-5 jets. Venezuela went into the market after Colombia had contracted for the faster, heavier and more expensive Mirages.

Under the arrangement worked out by U.S. Ambassador Robert McClintock, the slower F-5s were to be sold in conjunction with the Sidewinder missile, which allegedly would put the F-5 on a competitive footing with the Mirage.

That is almost now the deal worked out, except that the Venezuelans bought Mirages as well, and Canada offered Venezuela faster delivery and better terms on their licensed Northrop CF-5s. The Americans are still expected to provide the target-seeking air-to-air missiles.

U.S. diplomats have argued that the French Mirage not only is expensive initially but requires purchases of electronic ground equipment.

Mirage Over Bogota

Colombia has yet to take delivery of any of the planes it has recently purchased, but one is expected to fly over Bogota on Armed Forces Day, March 25. Negotiations are under way for purchase of an expensive complementary radar system, and American interests are bidding for the contract.

A year ago, Colombia's President Misael Pastrana called for Latin nations to rededicate themselves to arms limitation. He said Colombia would review its own purchases if that occurred. This was seen as an attempt to avert competition with Venezuela, which is far richer.

The idea was taken up at a meeting of the Organization of American States and shelved through assignment to a committee for further study. This maneuver was led by Argentina, which produces many of its own arms.

The committee's report, as expected, found that no effective approach to arms limitation was apparent.

French Honor Astronaut

PARIS, Feb. 21 (IHT).—Astronaut James A. Lovell today received the Aero-Club de France's Grande Médaille for achievements in aeronautics. Capt. Lovell was commander of the Apollo-13 moonflight in May, 1970, which was forced to return to earth without making a lunar landing after an explosion on board destroyed its survival and guidance systems. Among other Americans to have received the medal were the Wright brothers and the crew of Apollo-11 which made the first moon landing.

Associated Press

SIGN OF OLD TIMES—Statue of Winston Churchill giving his famous "V" for victory sign outside the British Embassy in Washington during a recent snow storm.

For 36 to 40 of the Latest Warplanes

U.S., France, Britain Seek Greek Jet Order

ATHENS, Feb. 21 (NYT).—The United States, Britain and France are vying for a multimillion-dollar order to supply advanced warplanes to the military-backed government of Greece.

The order is linked to a contract for a $50-million Greek aerospace factory, to be awarded soon. The government is considering offers from U.S. and French bidders for the factory, but the final decision will probably be influenced by the choice of planes.

Qualified foreign sources said yesterday that the government was in the market for two squadrons—about 36 to 40 planes, depending on trainers—of the latest supersonic jets. This decision is prompted by two considerations:

- Reasons of prestige, both domestic and external. The government boasts that unlike any previous one, it is expanding the nation's defense arsenal without foreign help.
- As a precaution for an emergency unrelated to the North Atlantic Treaty Organization, such as a flareup over Cyprus, a major issue between Greece and Turkey.

Britain Enters Late

The main contest over the aircraft order is between the U.S. F-4 Phantom and France's Mirage F-1. Britain joined the contest last week with the Jaguar multirole combat aircraft.

While a British aircraft team was making a technical presentation of this interceptor in Athens last Thursday, a couple of U.S. Air Force Phantoms swept over downtown Athens.

Qualified sources said the Phantoms were stationed at Athens airport on a NATO mission for air surveillance in the Mediterranean. They asserted that wind conditions had forced the Phantoms to fly at low altitude over the city.

The United States and France are using high-powered sales techniques to obtain the plane contract. The Phantom salesmen use two arguments:

- Taken over a 10-year period with long-range credits—the unit price of the Phantom, $4 million, as against that of the stripped-down version of the Mirage, $1 million, is no longer 4-to-1.
- If the Greeks want an effective long-range plane for use in a Cyprus crisis, the Phantom would be able to stay over a target area four times longer than the Mirage.

Plane of the Future

The French say that in view of the U.S. decision to keep a "low profile" in Europe, countries should start thinking in terms of procuring their own standardized weapons. The Mirage, the French assert, is the European plane of the future.

The French are backing their Mirage offer with plans for an aerospace factory to be established in Greece by Marcel Dassault, the builder of the plane. It is also suggested that delivery could be almost immediate.

The Greeks would like to buy Mirages to reaffirm some independence from the United States, which is increasingly identifying itself with the present government.

The Greek decision on the bids for the proposed aerospace factory, which was due on Feb. 11, has been postponed evidently until some decision is made on the order for two squadrons of planes.

According to an official announcement, the two main bidders for this factory are an American conglomerate, Automation Industries of California, and Avions Marcel Dassault in partnership with Aristotle Onassis's Olympic Airways and Lockheed Services.

London Reports Malta Standing Firm on Terms

LONDON, Feb. 21 (AP).—British authorities reported today that Maltese Prime Minister Dom Mintoff is standing firm on his terms for allowing British and North Atlantic allied forces to go on using Malta's military facilities.

"These terms are as unacceptable to us now as when they were first made," one government source said. "Therefore the process of withdrawing heavy gear and equipment from our bases is continuing and could be completed by mid-March."

In a weekend message to Prime Minister Edward Heath, Malta's leader raised the possibility of an early meeting at the top level presumably to carry on the prolonged quest for a compromise. But British reaction to this appeared skeptical.

"Mr. Heath is likely to reply within a day or two without slamming any doors to a meeting," the government source said. "But he is also likely to point out we still await Malta's answer to our own and NATO's final and definitive offer earlier this month."

Bukovsky Plea In Soviet Court

MOSCOW, Feb. 21 (AP).—A Russian court will hear the appeal tomorrow of dissident Vladimir Bukovsky, 29, who was sentenced to seven years' confinement and five years' exile for "slandering the Soviet state," friends of the prisoner reported today.

It is doubtful that foreign observers will be permitted to attend. In the one-day trial Jan. 5, Mr. Bukovsky's case was decided in closed court. He was accused of telling foreign correspondents that Soviet authorities sometimes commit dissenters to mental asylums. Proof of "cure," he asserted, is recantation. Mr. Bukovsky himself was a victim of these procedures.

Belgium, Denmark, France, Norway

4 NATO Nations Consulting Finland on European Parley

By Drew Middleton

WASHINGTON, Feb. 21 (NYT).—Four members of the North Atlantic Treaty Organization—Belgium, Denmark, France and Norway—are opening discussions with the Finnish government on the Soviet-proposed European security conference.

NATO sources, reporting this development, noted that the Soviet Union and its Warsaw Pact allies said in their last statement that the conference "must" take place in Helsinki in 1972.

The State Department, which advocates a slower, more methodical and united approach to the conference, has been told by the four governments that their discussions with the Finns would be confined to technical aspects of the conference.

The French government, which has played a leading role in encouraging the talks, hopes that a conference of ambassadors, representing all European countries plus the United States and Canada, can be held in Helsinki this autumn.

France's Stand

This meeting, the French suggest, should arrange a conference of foreign ministers. The United States delegation at NATO opposes an early foreign ministers' meeting, arguing that they should not assemble until substantive work has been accomplished by ambassadors.

The French government, on the other hand, believes that the foreign ministers could establish committees and set the agenda for their subsequent meetings, probably at Geneva.

These committees would deal with the topics proposed for a conference by the Soviet Union—among them economic relations, "inviolability" of frontiers and reduction of military forces.

The French and other interested NATO governments believe that negotiations within the committees on these and other topics would continue three to six months. When preliminary agreements are reached, a plenary session attended by heads of government would be convened in Helsinki. The State Department is cool to a meeting at that level.

The four governments prepared for negotiations now, as well as other governments, have been encouraged by what they see as a more positive tone on troop reductions in the Warsaw Pact communiqué issued at Prague Jan. 26 at the close of the alliance's two-day meeting.

This mentioned an "agreement on a reduction of armed forces and armaments in Europe." The statement was regarded as an advance on the Budapest declaration of June, 1970, which referred only to an "analysis of the problems concerning the reduction of foreign armed forces on the territory of armed states."

The Warsaw Pact communiqué said nothing about NATO's proposal for negotiations on mutual and balanced force reductions or about receiving Manlio Brosio, NATO's former secretary-general, in Moscow for discussion of this proposal.

United States officials doubt whether there will be any Soviet answer on Mr. Brosio's visit until President Nixon visits Moscow in May. They expect the Soviet government to discuss its proposal for a security conference and NATO ideas on force reductions with the President.

Avalanches Leave 9 Dead In Alps Area

Switzerland, Italy, France Hit by Snow

From Wire Dispatches

GENEVA, Feb. 21.—Avalanches in the Alps buried houses and cars today, and have claimed up to nine victims in Switzerland, Italy and France.

Four Swiss skiers were killed by avalanches during the weekend following violent snowstorms in central Switzerland.

Today, two skiers died in an avalanche near Interlaken.

The Swiss Avalanche Institute warned of further danger on the southern slopes of the Alps. Simplon village, near the main Simplon Pass between Italy and Switzerland, was cut off by two-and-a-half meters of snow.

In Italy, a 63-year-old woman was missing after an avalanche buried six houses and damaged 15 others at Valdarmella, near the French border.

Hundreds Isolated

At least 100 mountain villages were isolated and hundreds of tourists and weekend skiers were trapped in various north Italian resorts.

Snowslides followed three days of heavy snowfalls, especially in the Aosta Valley and in the Piedmont region. The highway between Turin and Savona was cut off by snow.

Nearly 2,500 skiers and tourists were trapped in Macugnaga, in the eastern Alps, as snowslides blocked the only road to this resort.

Many Dolomite passes, such as the Stelvio, Gardena, Sella, Pordoi and Rombo, were closed to traffic.

In the plains, heavy rains caused floods and landslides. The Po River, Italy's largest, flooded large cultivated areas near Alessandria.

In Briançon, France, rescue teams found the bodies of two French skiers buried in an avalanche.

Cold Wave in U.S.

NEW YORK, Feb. 21 (AP).—Extremely cold weather settled over the American northeast today in the wake of a massive and violent snowstorm that left 15 persons dead in Pennsylvania and New York.

A state of emergency was declared in Pennsylvania.

Ebensburg, Pa., was buried under a 45-inch snowfall and Binghamton, N.Y., reported two feet of snow.

Powerful Figure in U.S. Life

Walter Winchell Dies at 74; Invented the Gossip Column

LOS ANGELES, Feb. 21 (NYT). —Walter Winchell, 74, the outspoken news commentator and highly opinionated inventor of the gossip column, died last night at the University of California, Los Angeles, Medical Center. He entered the hospital on Nov. 19. The cause of death was given as cancer of the prostate.

"Other columnists may print it —I make it public," said Walter Winchell, the creator of modern gossip writing. His self-description, typical of his brash, egotistical manner, was remarkably accurate, for in the 20 years of his heyday, from 1930 to 1950, he was the country's best-known and most widely read journalist as well as among its most influential.

Millions read "On Broadway," his daily syndicated column, and more millions listened to his weekly radio broadcasts that he addressed to "Mr. and Mrs. North America—and all the ships at sea."

"WW," as he often styled himself, or "Mrs. Winchell's little boy, Walter," purveyed a melange of intimate news about personalities, mostly in show business and politics; "inside" items about business and finance; bits and pieces about the underworld; denunciations of Italian and German Fascism; diatribes against Communism; puffs for people, stocks and events that pleased him, and a large smattering of innuendos.

Breezy and Breathless

Although he was often demonstrably inaccurate or hyperbolic, he was implicitly believed by many of his readers and auditors. In clumsier hands, his "news" might not have had much impact, but he imparted a certain urgency and importance to what he wrote and said by the frenetic and almost breathless style of his presentation. His column items were usually short and separated by dots and cast in breezy neologisms, while his broadcasts, delivered in a barking voice at the rate of 227 words a minute, sounded as compelling as the clicking telegraph key that accompanied them.

Not only did Mr. Winchell contrive the modern gossip column, but also he devised a language to go with it. "Inasmuch as he is chiefly concerned with the life of Broadway and its circumambient night life, his inventions have largely to do with the technics and hazards of its ethnology," H. L. Mencken reported in "The American Language."

Thus, in Winchellese, a person could start life as "a bundle from heaven," attend "moom pitchers" in his youth, then be "on the merge" or "on fire" and "middle-aisle it" or be "welded" to a "squaw." Later on, the couple might "infanticipate" and be "storked" and perhaps have a "dotter," which could be the occasion for imbibing "giggle-water" along the "bulb belt." Still later, the couple's "pash" could dim and they would "phewd," "phfft" and employ "profanguage." Ultimately, they would be "renovated," but if they were sophisticated they still might attend "revusicals" together and gaze at its "terpsichorines" and their comely "shafts."

Friends in High Places

Although Mr. Winchell was often thought lacking in taste, he had friends in high and low places. Among those in exalted places were President Franklin D. Roosevelt and J. Edgar Hoover, director of the Federal Bureau of Investigation. From the outset of the New Deal, the columnist was a fervent backer of Roosevelt, and early in his second term Mr. Winchell was invited to the White House for the first of several private conversations. At one press conference, the President made his feelings evident. "Walter, I've got an item for you —stick around," he said.

Mr. Winchell kept the President supplied with the latest Broadway jokes, and Roosevelt countered with news tidbits and encouragement for the columnist's vitriolic attacks on the "ratskis," his name for the Nazis and their American followers. These attacks infuriated the Nazis, who publicly excoriated their author as "a new hater of the new Germany."

Mr. Hoover, another top-level friend, was chronicled admiringly in the column, and he and Mr. Winchell were frequent companions at Sherman Billingsley's Stork Club, a restaurant the columnist single-handedly made famous. Mr. Winchell's praise for Mr. Hoover (and his agents) developed into an enduring relationship. "Dear Walter," the FBI chief wrote in one letter that was signed "John," "just a note to say hello. Do take good care of yourself and don't overdo because you are far too valuable to the country."

In his prime years as a columnist, Mr. Winchell made the rounds of Broadway on the prowl for news. Of medium height, he was carefully tailored, and his cherubic face and blue eyes were set off by a snap-brim fedora that was his newspaperman's trademark. He loved to respond to police and fire calls (he had a police-band radio in his car), often arriving at the scene first. His car, courtesy of the police, was outfitted with a siren and a red light.

Mr. Winchell hustled for many of his items, but as time went on he came to rely more and more on press agents, some of whom were employed for their known or presumed ability to get their client's name in the column. These press agents came to Table 50 in the Stock Club's Cub Room —Mr. Winchell's throne—to pay homage.

Press agents were rewarded for their gossips or their printable jokes or their suggestions by plugs for their clients. Press agents whose items proved unreliable or who crossed Mr. Winchell were placed on his "DD," or drop dead list, and were curtly banished from his presence (and his column) for varying periods. It was a dread experience.

He was born April 7, 1897, near the corner of Madison Ave. and 116th St. Walter Winchell was the elder son of Jacob and Jenette Bakst Winchel—the son later added a second "L" to the name. Jacob left the family when Walter was young, and the boy was obliged to learn the lessons of survival early.

He picked up his first money as a street-corner newsboy. When he was 12 he made his debut in the entertainment world. George Jessel's mother urged the manager of the Imperial Theater to hire her son and Walter as ushers, but the boys persuaded the manager to try them out as singers. Their success was only middling, but it was sufficient for Walter to quit P.S. 184 in the sixth grade, which was the total of his formal education.

Walter toured the country for two years in revues in company with young Jessel, Eddie Cantor, Lila Lee and Georgie Price. It was not an easy life and Walter received a thorough knockabout education in the petty chicaneries of show business.

In 1915 Walter teamed in a vaudeville act with Rita Green. There was time out for World War I, in which Mr. Winchell, a volunteer in the Navy, served as an admiral's receptionist in New York. Returning to second-rate vaudeville after the war, Mr. Winchell began his column in embryo. He was with a Pantages road show in 1919, and he began typing and posting a bulletin that contained the gossip of the troupe. It was called "Newsense."

Mr. Winchell and Miss Green were married in 1920—the union lasted two years—and he began to submit show business gossip columns to Billboard, an entertainment weekly, and later to The Vaudeville News, for which he went to work in 1922 as a combined reporter and advertising salesman. His column "Stage Whispers" attracted attention and he himself became known around Broadway as a bright and eager and very brash hustler, who took notes with a left-handed scrawl.

Weds Dancer

In his rounds, he met June Magee, a red-haired dancer, whom he married in 1923. She died in 1970, reunited with her husband after a long estrangement.

In 1924 Mr. Winchell joined The Evening Graphic, a bizarre tabloid that had been founded that year by Bernard MacFadden, an eccentric billionaire, food faddist and physical culture advocate. Mr. Winchell was hired to write a column and play reviews and to serve as drama editor, amusement editor and ad solicitor. His pay was $100 a week.

One day in 1925 with no jokes or poems for his column, he sat down and typed out a clutch of gossip notes he had acquired on his theatrical beat. The first few items read:

"Helen Eby Brooks, widow of William Rock, has been plunging in Miami real estate.... It's a girl at the Carter de Havens.... Lenore Ulric paid $7 income tax .... Fanny Brice is betting on the horses at Belmont.... S. Jay Kaufman sails on the 16th via the Berengaria to be hitched to a Hungarian.... Report has it that Lillian Lorraine has taken a husband again...."

It was the prototype of Winchell columns for almost 40 years.

Leaving the Graphic after an explosive display of temper and invective, Mr. Winchell transferred himself and his column to the Mirror. His first column appeared there June 10, 1929, and he was paid $500 a week.

Power Waves

The awesome power and influence of the Winchell column started to wane in the late 1940s. He did not hit it off with President Truman, and after a time anti-Truman items began to appear in the column.

These were the start of a political turnabout that took the columnist to the far right. He became a champion of Sen. Joseph R. McCarthy and his investigations; he wrote screeching anti-Communist columns; he was unkind to Adlai E. Stevenson; he countenanced an instance of discrimination against Josephine Baker, the black entertainer, and wrote column items disparaging to her.

His column slipped from 800 papers to 175, and it virtually disappeared with the demise in 1963 of the Mirror, whose circulation he had sustained for many years.

A measure of Mr. Winchell's decline was his 70th birthday party here. Only a few prominent entertainers showed up, among them Jimmy Durante. The columnist moved away from New York in 1965 for the West, where he lived either in Los Angeles or Arizona. For the last several years he stayed at the Ambassador in Los Angeles.

—Alden Whitman.

United Press International.

Columnist-commentator Walter Winchell.

Cardinal Tisserant, 87, Dies; Dean of College of Cardinals

VATICAN CITY, Feb. 21 (AP). —Eugène Cardinal Tisserant, 87, dean of the College of Cardinals and traveling companion of Pope Paul VI, died today.

The Pope was immediately informed of the death and went to his private chapel to pray for the cardinal's soul.

The cardinal died after a lingering illness at a Vatican retreat on Lake Albano, south of Rome.

His successor as titular Bishop of Ostia and hence dean of the College of Cardinals was not immediately determined.

Eugene Cardinal Tisserant was in every sense a son of Lorraine, a large man with a full white beard and a military bearing that some regarded as forbidding. He had an expansive mind that for more than six decades was put at the service of the Roman Catholic Church as a priest, scholar and administrator.

He was a counselor to five popes and, as dean of the College of Cardinals, supervised the election of the last two. During the second Vatican Council of 1962 to 1965 he served as president of the 12-member council of presidency, which had overall responsibility for council affairs.

It was only in 1971, at the age of 87, that Cardinal Tisserant acknowledged the "growing weight of age" and bowed to papal pressure to retire. Even so, he made it clear that the papal policy on retirement was contrary to his most basic instincts.

Eugène Tisserant was born at Nancy on March 24, 1884, into a family of millers that had begun to move into veterinary medicine and other more intellectual pursuits. He was the eldest boy among six children.

He attributed his original interest in a scholarly career to the fact that at the age of five he was quarantined at home with a bout of whooping cough and his father used the opportunity to teach him to read. The call to the priesthood came six years later on the eve of the Feast of the Immaculate Conception when he was praying to the statue of the Virgin.

Keystone.

Eugene Cardinal Tisserant.

While at the major seminary in Nancy, the future cardinal was browsing in one of his professors' library one day when his curiosity was aroused by a Syriac and Arab grammar. Learning that there were few specialists in Oriental languages in the church, he decided to make this his field of expertise.

His studies took him to Jerusalem, where he perfected his horsemanship as well as his knowledge of Assyrian and other ancient languages, and then back to the Sorbonne and other institutions in Paris. In 1907 he was ordained to the priesthood in Nancy.

For several years Father Tisserant taught in Rome, worked with Oriental manuscripts in the Vatican library and spent as much time as possible doing scientific research in the Near East. With the outbreak of World War I he volunteered for military service.

In 1917 his unit was sent to Palestine as part of a French-British expeditionary corps. In 1918 he served as a platoon leader in an assault on Gaza and won the Croix de Guerre.

Following the war the priest returned to his cassock and began his rise to ecclesiastical prominence. He served as associate administrator and later administrator of the Vatican library and won praise for reorganizing and modernizing its operations.

On June 16, 1936 Pope Pius XI, a good friend and former prefect of the Vatican library himself, made him a cardinal; the title—which led to his consecration as bishop the following year—was not only a reward but a means of making him eligible to take a new post, prefect of the Sacred Congregation for the Oriental Church, which supervises the affairs of Eastern rite Roman Catholics.

In 1959 Pope John XXIII relieved him of his post with the Oriental congregation and made him honorary president and archivist of the Vatican library. He continued, however, to serve as dean of the College of Cardinals.

As a young scholar Father Tisserant published numerous linguistic studies and editions of ancient texts that are still regarded as classics.

In 1961 he was elected to the French Academy, which has always tried to include one cardinal in its prestigious ranks but has not always had one with such scholarly credentials, and in his final years he made a point of regularly attending its monthly meetings.

—Edward B. Fiske.

John Grierson Dies, Pioneer In Documentary Film Work

LONDON, Feb. 21 (NYT).—John Grierson, 73, founder of the documentary film movement that influenced the development of movies as a medium of public service, died Saturday in Bath, England.

With "Drifters," "Song of Ceylon" and "Night Mail," Mr. Grierson educated a new generation of film directors, writers, cameramen and other craftsmen.

He was in New York on a Rockefeller research fellowship studying what later came to be called the mass media of communications when he saw the premiere of Eisenstein's "Potemkin" and met Robert Flaherty. The two events shaped his career. In the writing of Mr. Flaherty's films "Nanook" and "Moana," he first applied the word documentary to movies.

He returned to Britain to make "Drifters" in 1929, a film about North Sea herring fleets. Its imaginative use of new techniques, fine photography and incisive editing opened eyes to the potentialities of British movies.

In 1937 he was invited to Canada to write a plan for government film production. This led to the formation of the National Film Board through which all government production and distribution would be channeled. By the end of World War II he was effectively in charge of all Canadian information services, and the board has become an influential film-making center.

Mr. Grierson began a notable television series, "This Wonderful World," on Scottish television in 1957 at the invitation of Lord Thomson, the Canadian-born newspaper publisher. The program was an immediate success and was telecast all over Britain until 1968, when illness forced him to give it up.

Later he accepted a professorship of mass communication at McGill University in Montreal. In 1970 he visited India to advise the government on the use of mass media.

A Minor Legend at 34—Pianist Ponti

By David Stevens

PARIS (IHT).—An unusual piano recital, scheduled for March 13 in Alice Tully Hall at Lincoln Center, seems to be one of the most hotly awaited New York debuts in some time.

The pianist is not some new young lion of the keyboard or one of those mystery men who emerge from Eastern Europe now and then. He is Michael Ponti, a stocky, baldish American of 34 who for more than a decade has been tenaciously pursuing a European career that, while not without successes, has resolutely refused to get off the ground. This state of affairs, plus the unsettling blow of a divorce, had him feeling so low a little more than a year ago that he virtually stopped practicing for a while and was ready to pack in the idea of a concert pianist's career.

"I was this far away from becoming a piano teacher," Ponti said recently, holding up a thumb and forefinger about half a centimeter apart and speaking in the tone of a man who has come that close to a fate worse than death.

The story of how he has bounced back into a very promising orbit after hitting bottom is, in a general way, the not unfamiliar one of all the ponderable and imponderable things that fill the gap between genuine talent and a successful career. The importance of recordings, of management, of catching a wave of public enthusiasm at the right time, or just of having the right friend in the right place at the right time, all enter into it.

Romantic Revival

That he will be going to New York for his first adult appearance in the United States as a minor legend instead of as a virtual unknown is due largely to the current phenomenon of the Romantic Revival, and to the fact that in the last couple of years Ponti has been flooding the record market with the complete solo piano works of Tchaikovsky and Rachmaninoff and the best works he could find of a semi-forgotten legion of virtuoso pianist-composers of the 19th century—Moscheles, Anton Rubinstein, Alkan, Moszkowski, Scharwenka, Tausig and so on.

"I may be the only pianist who has to ask 'Which one?' when asked to play the Schumann A minor concerto," Ponti laughed. He plays Robert's, of course, but also Clara's in the same key.

The records have evoked considerable attention from American reviewers, well upholstered with praise for his formidable technique, references to "a Horowitzian kind of sonority", and the double-edged compliment of having his Rachmaninoff recordings compared to Horowitz's. Some skepticism, too, such as whether Michael Ponti is really only one pianist or, more seriously, how he will do with the standard repertory that he has not yet done on records.

The New York recital is designed to answer those questions. After a regular program that includes Beethoven's Opus 2, No. 3, Tchaikovsky's Sonata, some Rachmaninoff preludes, the Brahms "Paganini" Variations, Scriabin's "Youth" Sonata (U.S. premiere) and Stravinsky's "Three Movements From Petrushka" (a fairly typical Ponti workload), he will then launch into his Romantic Revival act, with encores chosen from a list of 40, from which the audience will be able to get in requests. If people stay and clap, Ponti is seriously prepared to play all 40.

11 Encores

Last month at a recital in Karlsruhe, where he has built a devoted following, some 1,200 people almost filled the Stadthalle for a recital that began with Schubert's "Wanderer" Fantasy and Beethoven's "Hammerklavier" Sonata, went on after intermission with works by Scriabin and Mussorgsky and then, while a large part of the audience stayed, went on for almost an hour longer with 11 encores.

"That was a trial run for New York," Ponti said after coming off the platform, futilely mopping his brow with a soaking handkerchief. "Strength isn't a problem—the only problem is memory." Since then he has been working on his New York program at his home in Wiesbaden, with occasional forays before the public.

Asked why he started his programs off with such daunting works as the "Wanderer," he said, "I don't like to warm up with Scarlatti or things like that—I feel much better if I start right in on something solid."

Michael Ponti, who will make his New York debut March 13.

The chance to hear Ponti in person a few times in recent weeks leaves the impression that the New York audience is not going to be disappointed. Not only is the technique real, rather than an engineering retouch job, but something comes through that doesn't on record—an excitement produced by putting music first and taking technique for granted. Most of the time he combines a variety of touch, an imaginative use of rubato, and a sweeping, comprehensive view of whatever he is playing that sets him apart.

Sometimes, his inclination for fast tempos and the excitement he himself gets from being in front of an audience seem to lead him into forcing his tone or the pace. "But I can be introspective, too," he quipped after one pyrotechnic evening. "I take 25 minutes to play the slow movement of the 'Hammerklavier.'"

In Washington

Ponti was born in Freiburg, where his father was a foreign service officer before the war, but he grew up in the Washington, D.C., area.

"My parents wanted me to be a child prodigy," Ponti recalled, "but I wasn't. I would rather have been out playing baseball or football. I studied with Gilmore MacDonald, who was once an assistant of Godowsky, and by the time I was 11 I had played the entire WTC by JSB, which may be why I haven't played the 'Well-Tempered Clavier' since.

"When I was 14 I won a contest that got me two weeks away from school to play Mozart's Concerto No. 27 with the North Carolina Symphony Orchestra. I think that's when I decided to be a concert pianist."

When he was 17, Ponti's family returned to Germany, and at the Frankfurt Hochschule für Musik he came under Prof. Erich Flinsch, of whom he says simply, "He made me a pianist."

Flinsch told him that they had about three years to work on his fingers, while there was still time for physical development, "so until I was 20 or 21 I worked on technique, and since then I've been working on the music."

If Ponti's years of playing the USIS circuit, "all the .... ingens in south Germany," and the usual round of contests (he won first prize in the 1964 Busoni Competition) have been tough ones, they also have given him the time to build his repertory. He reckons he now has played in public or recorded some 70 concertos.

"The American cultural centers wanted American music on the programs," he recalled. "Stravinsky qualified by adoption, so I got in plenty of practice on 'Petrushka,' and I would do things like Blumenfeld's Etude for the Left Hand or a Rubinstein etude and say it was by Macdowell or Gottschalk."

He also expanded his repertory by the simple expedient of never saying he didn't know a work. "If someone asked him to play something he didn't know," a friend said, "he just said yes and learned it." But Ponti says he is not a quick study—"I learned the Rachmaninoff Third that way, but it took 16 hours a day for two and a half weeks, and I practiced a total of 612 hours on the Bartok Second before it was ready."

But work alone is not enough. One friend happened to be in the offices of Vox records in New York when they were looking for someone willing to do their Romantic Revival series—and as a result Ponti was signed up more or less sight unseen.

Another boyhood friend from Frankfurt, now a mail-order tycoon in Hong Kong, helped shake Ponti out of his doldrums and is bankrolling his New York debut. It looks like a good investment.

Arts Agenda

The first performance of "O, W.," a new ballet about Oscar Wilde by Joe Layton for London's Royal Ballet, to Walton's Viola Concerto, will be given Feb. 22 during the company's brief season (until Feb. 26) at its old stand, the Sadler's Wells Theatre. The work, with sets by John Conklin, will be repeated Feb. 23 and twice, matinee and evening, on Feb. 26. The 14 works being presented during the run also include a revival of John Cranko's "The Lady and the Fool," with Svetlana Beriosova, and Peter Wright's pas de deux from "The Mirror Walkers," with Merle Park and Desmond Kelly.

* * *

Le Théâtre du Silence, a French dance troupe made up mainly of young former or current members of the Paris Opéra, are appearing on the 6:30 p.m. program of the Théâtre de la Ville until March 11. From Feb. 23 to 26, the program includes "Microcosmos," by Brigitte Lefèvre to Bartok's music; "Quintette," by Richard Duquenoy to Prokofiev; Maurice Béjart's "Webern Opus 5," and "Anaktoria," by Jacques Garnier to Iannis Xenakis's score.

Elizabeth Taylor's 40th Birthday

By Hebe Dorsey

PARIS, Feb. 21 (IHT).—Elizabeth Taylor Burton has sent telegrams to 180 friends all over the world inviting them "to come to budapest for the weekend of 26-27 february to help me celebrate my big 40th birthday stop the hotel is very hilton but there are some fun places to go to stop dress slacks for saturday night in some dark cellar and something gay and pretty for sunday night stop dark glasses for hangovers in between."

The Burtons are in Budapest because Mr. Burton is making "Bluebeard" there. The party will be a double-barreled affair, for both Miss Taylor and her son, Christopher, 18, were born on the same day: Feb. 27.

Miss Taylor asked Larry Barcher to do the decorations for parties on both nights. Mr. Barcher, former window display artist at Bonwit Teller's, New York, recently revamped the Vicky Tiel boutique on Rue Bonaparte, Paris, in which Miss Taylor is a partner.

Mr. Barcher was beside himself. "We were on the phone over an hour," he said. "She told me the grand ballroom was red and gold and to plan accordingly.

Balloons

"I'm having 1,000 gold balloons sent from New York," Mr. Barcher said, "and I'll bring 2,000 red and pink ones from Paris."

Larry Barcher knows his balloons. He dumped 1,500 of them into Jacques de Chambrun's pool for a Valentine ball. "That was an awful lot of balloons," he recalled. Elizabeth Taylor also told him that the flowers were beautiful in Budapest and that she wanted "lots and lots of them." The Budapest opera house has offered to chip in some props.

AP.

Elizabeth Taylor ...at 39.

The full guest list has not been announced but Prince Rainier and Princess Grace were the first to be invited. The two couples are close friends: the Burtons went to Princess Grace's 40th birthday party two years ago. Prince Rainier will not be able to go to Budapest, a spokesman said, and the princess is not yet sure that she can accept.

Marlon Brando, David Niven, Sammy Davis jr., Ringo Starr and other friends from the movie world have been asked. The jet set will surely include Baron and Baronne Guy de Rothschild with whom the Burtons stayed in Paris last December.

Mrs. Burton has also invited a lot of jewelers and dress designers. Her husband wryly insisted on a few writers and poets as well.

Friends are wondering what Mr. Burton, who drops diamonds into his wife's hand every time she turns around, will give her as a present. His Christmas, 1971, gift was a thumb-sized cabochon sapphire. He is said to be nervously looking for a matching ruby.

Friends are nervously looking for something to give the woman who has everything. But Elizabeth Taylor Burton is anything but blasé. The hint has been dropped: She adores Art Nouveau.

* * *

Arnold Scaasi, perhaps the last of American designers to do custom-made clothes ("Mainbocher closed last year and Halston does some custom-made too") is shifting fashion scenes.

He has just signed with a Paris firm, Maria Moutet, to do a ready-to-wear collection. Maria Moutet used to be Maria Carine, a firm that specialized in ready-to-wear designed by Parisian couturiers. Mr. Scaasi is very excited at the idea of living in Paris and having the benefit of the French artisanal talent. "They're so inventive," he said, "that's it's wonderful. In New York, we've become so professional that we're bogged down. Here, I've asked for new fabrics to be made within three weeks and I'm getting them. That would be impossible in New York."

Mr. Scaasi thinks the French ready-to-wear industry is becoming highly professional: "They understand everything about sizes and deliveries, whereas the Italians are still fumbling." As for the British, "They're very negative," he said.

Concentrating on what he knows best, Mr. Scaasi, whose clientele includes Mary Stanford and Barbra Streisand, will do mostly higher-priced cocktail and evening dresses. His first collection of 25 dresses will be shown with French ready-to-wear on April 19.

Music in London: *Bringing the Backing Up Front*

By Henry Pleasants

LONDON, Feb. 21 (IHT).—One of the curiosities of musical life in this century has been the apparent assumption by music critics everywhere that music composed for any other purpose than public performance in a coocert hall doesn't exist.

Not even when it turns up in the concert hall, as it did Saturday night when Nelson Riddle conducted a program of his own compositions and arrangements with the BBC Radio Orchestra at the Royal Festival Hall. The house was sold out, a circumstance to which the presence of Tony Bennett as soloist contributed. There was fervent, affectionate enthusiasm. But the concert passed unnoticed in today's four national newspapers.

Riddle is best known as the man who arranged and conducted, over a period of nearly 20 years, the backings for a score or more of Frank Sinatra's finest albums. He has also scored for Nat King Cole, Judy Garland, Peggy Lee, Dinah Shore, Dean Martin and Bing Crosby. He has been the arranger-conductor of many film musicals and the composer of TV serial themes, among them "Route 66" and "The Naked City."

He is typical of a formidable number of musicians who came up as instrumentalists and arranged in jazz bands toward the end of the swing era, and then, as the bands broke up in the mid-forties, went on to make notable careers as composer-arrangers for singers, films and TV. Among the most prominent have been Henry Mancini, Gordon Jenkins, Billy May, Quincy Jones and Johnny Mandel.

Working with singers, they have evolved an entirely new art of vocal backing, combining the swing rhythms and precise attacks of big band jazz with a more or less discreet use of strings to give singers maximum support with least interference. In films and TV their scores have brought a vernacular flavor and invention to a functional music formerly mined from the cliches of European opera and symphony.

In concert, admittedly, their music is not heard to the best advantage. Original compositions such as Riddle's "Canadian Landscapes" tend to sound like warmed-over Debussy and Ravel, while the arrangements, without the vocalist, of which Riddle offered a medley, are little more than samples of sophisticated orchestration.

But one welcomed, Saturday night, the opportunity to appreciate the workmanship without the soloistic distraction and to meet in person the otherwise faceless master behind the label. And, when Tony Bennett came on, we could see conductor-arranger and singer, both masters, at work together—curiously, for the first time, the separate musical and musicianly components now properly assembled and making music as admirable as it was also delightful.

SPECIAL REPORT

INTERNATIONAL Herald Tribune
Published with The New York Times and The Washington Post
PARIS, TUESDAY, FEBRUARY 22, 1972 * R

SWITZERLAND

A Period of Pressure and Readjustment

FOR SWITZERLAND, 1971 was a year of hectic readjustments for all phases of the domestic economy, and especially for its financial institutions.

Massive capital inflows estimated at $2.8 billion, a lagging domestic economy and a record-breaking price spiral posed unaccustomed problems for the little nation once hailed as an island of stability.

A torrent of incoming capital preceded and precipitated the 7 percent revaluation of the Swiss franc in May. On its heels came the August suspension of the dollar's gold convertibility and a severe monetary crisis which triggered a new flood of funds.

Switzerland's industries, which must export to survive, found costs soaring while growth rates leveled off. Consumer prices climbed 6.6 percent in the year, with further gains predicted. Real GNP grew a little over 4 percent, while the GNP deflator, considered a broad measure of inflation in the economy, gained 8 percent.

Tourism had a good year, but was hampered a bit by labor shortages partially due to a law limiting the number of foreign workers allowed in Switzerland. A shortage of workers also pinched the building trades, whose costs ballooned 15 percent in the year.

The federal government began to take a more direct hand in economic matters. In June, it ordered a freeze on demolition and construction of non-essential buildings in certain areas.

A new constitutional amendment makes it possible for fiscal policy to be a bit more responsive to the economic situation; it allows the government to make some adjustment in income and sales tax rates as a stabilization device. A special reserve of 135 million francs (about $35 million) will be set aside for economic fluctuations.

Much of the readjustment responsibility fell upon the country's banks. They agreed to continue their restriction on credit expansion. Partly as a result of this, commercial and private loans increased much less than in 1970.

The banks also agreed to two measures proposed by the Swiss National Bank to prevent further inflows of funds. No interest was paid on deposits of Swiss francs made by foreigners after July 31. In addition, a limit was set on the number of dollars purchased each day per bank and per customer.

But much of the newly arrived foreign capital has remained in the country despite these measures. Some suggest many of these funds were brought in by Swiss citizens, whose deposits were not subject to the interest restrictions.

Swiss bankers say they expected huge amounts of Swiss and German currency to leave when the December monetary agreements were announced. The fact this did not happen indicates "confidence has not been restored in the viability of the dollar," one banker declared.

He named several factors which would help restore confidence: acceptance by the U.S. congress of the December agreements; a better mood on the New York Stock Exchange, and improvement of the U.S. balance of payments situation. "But the whole question is not yet settled," he said.

Another banker agreed with the diagnosis and said it might be a year before the funds begin to move out of the country.

During 1972, further slowing in economic activity is generally expected—much of it due to the fact that Switzerland's big trading partners, such as Germany, are having similar problems of their own.

In addition, there were indications Switzerland is giving more thought to relinquishing its autonomy in monetary policy. President and Finance Minister Nello Celio said last week his country should join the World Bank and International Monetary Fund, because the chaotic events of the last year proved that Switzerland was no longer free in monetary affairs.

WATCHMAKING

Faced with a sharp challenge, the Swiss watch industry is both determined and confident.

By A.-L. Sugar

GENEVA (IHT).—It is expected that in 1980, some 300 million watches will be sold in the world. How many will come from Switzerland? Manufacturers in this country answer with quiet confidence that the Swiss provide about half of them, for they are determined to maintain the industry leadership which the Swiss have enjoyed for generations.

However, the Swiss watchmaking industry has learned to face growing competition, especially in the last dozen years.

With the emergence of national industries in several countries, the Swiss share of world production has shrunk during the last 20 years from 52.2 percent to 44.7 percent. Similarly, the overall European share of the global production of watches has fallen from 70.6 percent to 59.8 percent. France was the only nation whose production increased to a larger share—from 4 percent to 6.5 percent, but the Swiss note that its proportion of world output was very low to begin with in that 20-year span.

Switzerland's watch sales abroad now account for 71 percent of the world's watch exports, compared with 74.6 percent 20 years ago.

The Soviet Union has 8.4 percent of the watch-export market, Japan 9.6 percent and France 3.1 percent. One might be inclined to attach little importance to such competition when considering the 71 percent share of the Swiss.

But, in fact, the Swiss watch industry is very concerned about those rivals. Switzerland, which exports up to 97 percent of its watch production, is keenly aware of the growth that its main competitor—Japan—has been registering each year, not only in its foreign-sales totals but also in the quality of its products.

Japan's domestic market absorbed only a little more than 10 million of the 23,778 million watches produced in that nation in 1970. This made Japan the second largest exporter of watches among the world's manufacturing nations. Despite this success, Japan has continued to protect its domestic market efficiently from foreign competitors, raising tariff barriers as high as 40 percent.

Almost completely destroyed in World War II, Japan's watch factories are new.

The Japanese watch industry is very concentrated, and its firms are fully integrated into larger corporate structures that are diversified. This is the situation, for example, of Hattori-Seiko, the second largest watchmaker in the world. Japanese watch manufacturers, therefore, have a financial capacity which allows them to develop new products or new markets at a price that many of their Swiss competitors can ill afford.

Whereas Japan has made a direct frontal assault on the world's watch market, American interests have gone on a different tack—taking over some Swiss firms in order to improve their own image in the U.S. domestic market. This explains why the U.S. share of the world's exported watch market is put at only two-tenths of 1 percent. Bulova Watch Co., Elgin Industries and Zenith Radio Corp. have garnered a "hidden" share of the world market by establishing strongholds within the Swiss watch industry.

A contrary example is Hamilton Watch Co., which had acquired "Swiss citizenship" but which ran into such financial difficulties in the United States that it has come under the full control of SSIH, a Swiss corporation.

Faced with direct Japanese-

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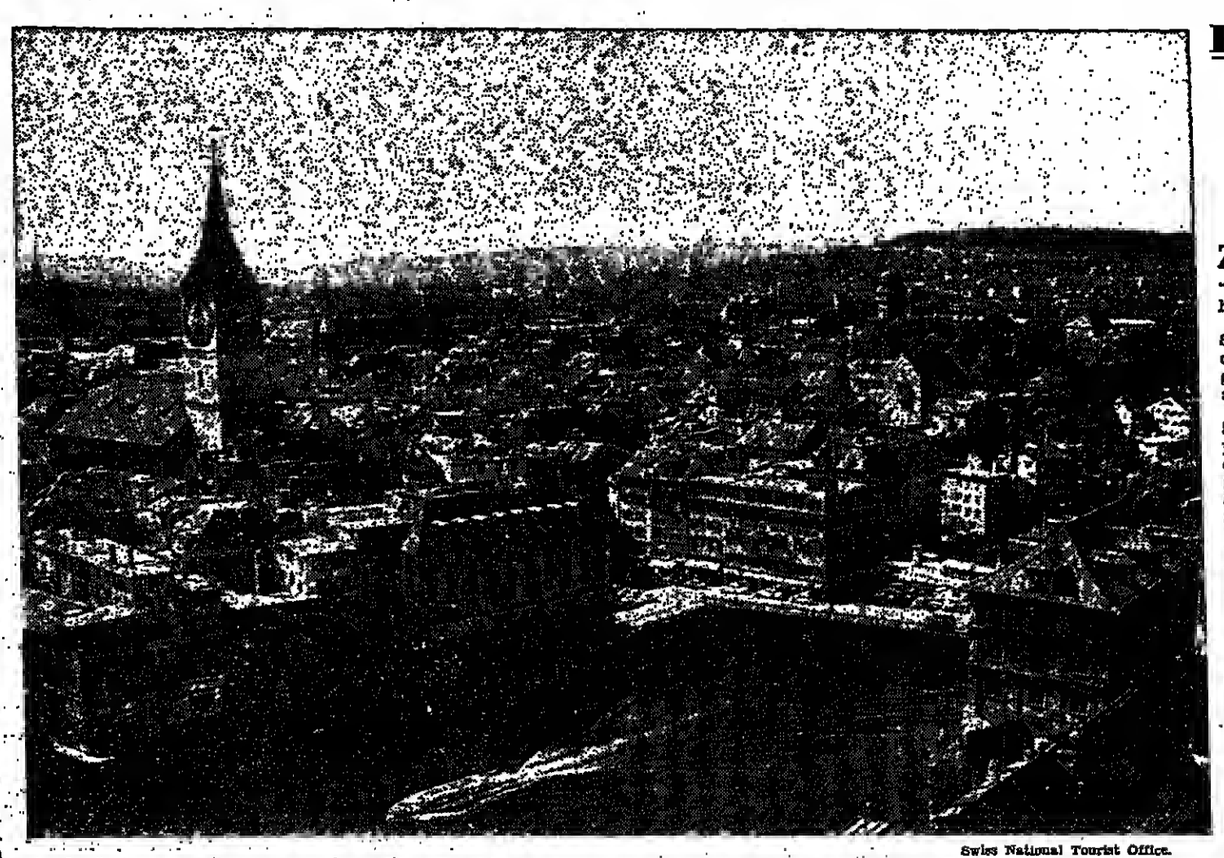

Swiss National Tourist Office.

The city of Zurich, headquarters of one of the world's most important banking centers.

BANKING

Even granting the built-in incentives, the growth of Swiss banks has been remarkable.

By Jan Nugent Pearce

ZURICH (IHT).—"You don't have to tout for business in Switzerland," said an admiring British banker who has worked there, "it just comes in. The advantages are so great, there is no need for high-pressure salesmanship."

Even granting the built-in bank incentives, the recent growth of Swiss banks has been remarkable. In 1970, the last year for which overall figures are available, the total balance sheet of all Swiss banks grew 18 percent. Leading the pack were the five "Big Banks," whose assets ballooned over 27 percent in the year.

Some of the Big Banks' 1970 gain was due to a change in bookkeeping methods, but they experienced similar percentage gains in preceding years. Their total 1970 balance sheet (94 billion Swiss francs or $24 billion at today's exchange rate) nearly equalled Switzerland's gross national product. And, in fact, their total assets are far higher, since the balance sheet figures do not include the vast amounts of money and securities they manage in trust for their clients.

Although their size dwarfs anything in Switzerland, the big Swiss banks are not in the league with their American counterparts in size. Union Bank, Switzerland's largest with 24.4 billion Swiss francs, ranked 33d in the world in 1970. Nor do they operate far-flung branch networks around the globe. Swiss banks have a few branches at key market points and work through representative offices in most foreign countries.

One characteristic of the Swiss banking system is its density, and another one is the thriftiness of the Swiss population. There were about 4,450 banks there in 1970—one for every 1,400 people. Savings accounts far outnumber the population—there are 166 for every 100 Swiss—and per capita bank savings amount to $2,350.

In addition to the five Big Banks, which control over 46 percent of total Swiss bank assets, Switzerland has 28 cantonal banks, which engage mainly in local mortgage and small trade financing and have about 25 percent of the total. There are also 256 local banks and savings associations with 18 percent, and 184 other banks (including foreign banks) have the remaining 11 percent.

Some 50 private banks, operating as one-man businesses or partnerships, control large amounts of securities and manage investment accounts. Their assets are a matter of speculation, since most of them are not required to publish their financial data.

Perhaps the most interesting characteristic of the larger Swiss banks is their lack of specialization. They are truly universal banks, engaging in stock brokerage business, and investment and commercial banking. They act as investment analysts, manage trust departments, trade on the stock exchange, grant mortgage business loans, solicit savings accounts, carry on an active foreign exchange business, and underwrite national and international issues.

The easiest way to make a Swiss banker lose his proverbial cool is to suggest that the system of bank secrecy has attracted foreign funds tainted by Mafia or other unsavory connections. You will be coldly informed that no reputable Swiss bank will take money without proof of identity and that if a recognized Mafioso appeared his deposit would be turned down.

U.S. law now requires any American citizen with a foreign bank account to disclose this on his federal tax return. The bill was passed after congressional bear-

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Chemical Industry

BASEL (IHT).—It has been said that this city's population has the greatest density of scientists in the world. A primary factor in the creation of the scientific community here is the Swiss chemical industry's concentration in Basel.

Basel's leading role in the chemical industry is of ancient vintage. In fact, it can be stated that since the middle of the 18th century Basel has been the cradle of the world's chemical industry, the center from which it grew to its present worldwide dimensions.

The top four Swiss chemical companies were founded in Basel and maintain their headquarters and important production units here.

They employ in the Basel area more than 32,000 of the 64,000 persons working in the Swiss chemical industry. The four account for 65 percent of the chemical production in Switzerland. A second group of six firms shares 15 percent, with the remaining 20 percent divided among 410 manufacturers.

The chemical industry has relatively important installations in Zurich, Bern, Geneva and Lugano also, but none of these centers rivals Basel as the focal point of the Swiss chemical industry. When a Swiss is asked what he knows of Basel, he will cite the zoo, the harbor on the Rhine, its carnival and the chemical industry, as he will talk of Zurich for big finance and its machinery industry and will mention La Chaux-de-Fonds as a watchmaking center.

Like other manufacturers in Switzerland, the chemical industry did not have large native supplies of raw materials to bolster it. From its beginnings, therefore, the Swiss chemical industry focused on specialized rather than basic products—on elaborate products which could reward its knowhow with a higher rate of return than comparatively simple products would have brought.

Thus, a breakdown shows that 40 to 45 percent of the Swiss chemical industry's output is in pharmaceuticals. In this field, Switzerland ranks second, behind the United States, in the world lineup of producing nations.

The output of even the smaller

(Continued on Page 10, Col. 1)

New Trends and a Time of Transition

TOURISM

By Barbara Bell

ZURICH (IHT).—The winter visitor to Switzerland today, skiing over dazzling, crunchy snow, breathing crisp, pure air and gazing up in awe at the towering white crest of the Matterhorn, and the summer visitor strolling beside quiet lakes and among wildflowers in the green pastures of the Bernese Oberland might find it hard to believe that until the middle of the last century many Swiss people regarded their country's spectacular landscape as something of a national disaster.

Fully a fourth of Switzerland's rugged 15,941 square miles is fit neither for agriculture nor for forestry. Few minerals have been found there. About 60 percent of the country is covered by Alpine mountains, stretching from east to west across the southern part of the Swiss territory; the Jura range, running from southwest to northwest, covers an additional 10 percent.

The scenic beauty of Switzerland has never gone unnoticed—Jean-Jacques Rousseau was one of the first travelers to praise it widely, and celebrated 19th-century visitors included Madame de Staël, Byron, Goethe, Longfellow, Brahms, Mendelssohn and Mark Twain.

But it was after 1850 that the British "invented" tourism in Switzerland on a large scale, and turned all of that scenery into a blessing.

In 1863, Thomas Cook, who was then just starting out in the travel business himself, organized the first group travel in Switzerland.

On July 14, 1865, the British climber Edward Whymper and his party conquered the Matterhorn—and unleashed an army of other eager British climbers upon the Swiss Alps.

In 1894, Sir Arthur Conan Doyle published an account of a Swiss ski journey that sent hundreds more Britons rushing to the slopes of Switzerland.

Americans and Europeans followed.

In 1971, Switzerland recorded more than 36 million overnight stays by tourists in hotels, pensions and health establishments, plus an estimated 26 million overnight stays in holiday apartments, youth hostels and camping and caravaning sites.

And in 1972?

Fred Birmann, press director for the Swiss National Tourist Office in Zurich, discussed new trends in Swiss tourism in an interview recently.

'Package Deals'

"Yes, tourism is changing," said Mr. Birmann. "Switzerland has traditionally directed its appeal to the individual traveler. Now, although we don't exactly try to appeal to *mass* tourism, we are trying hard to cater to participants in charter flights."

"Ski areas in Switzerland offer more and more 'package deals.' Meeting and convention facilities are being expanded throughout the country."

Switzerland must also work to change certain incorrect images of itself, according to Mr. Birmann—for one, that of being a playground exclusively for the idle rich.

"For many years now, we have been trying especially to attract the younger generation—students, for example, who may not quite be able to afford a luxury hotel up in St. Moritz," Mr. Birmann said, with a smile.

"Last year, we invited representatives of European youth magazines and student newspapers, regardless of their tendencies, to come and see Switzerland through their own eyes. We got some hippies, and some leftists ... and it was such a big success that we plan to do it again.

"We have to let people know that one of the advantages of tourism in Switzerland is that it offers several price ranges. If you want the best and the most luxurious, you have to pay for it, but you can have it."

"On the other hand, I have heard about a tiny village in the St. Gotthard area—it's not even on our list of Swiss winter resorts—that was discovered by a group of Canadian students on a charter flight. Now they come back every year and stay at a small guesthouse where to this day you

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Foreign Banks

By John M. Pearce

ZURICH (IHT).—To the outside world, an American (or British or French) bank in Switzerland is a Swiss bank, obliged to keep its depositors' money safe from the tax collector, invest it well and discreetly.

To the original Swiss banks a foreign bank is a not-much-wanted competitor, to be tolerated in silence only if it stays out of domestic business.

This double view of foreign banks in Switzerland does not apply to all, of course. Lloyds Bank Europe Ltd., one of the first foreigners to open in Switzerland (1919), is thoroughly integrated into Swiss banking. It has stayed that way by trying to stay out of direct competition with the major Swiss banks.

The other side of the coin is First National City Bank, which opened its Geneva operation in 1963 and its Zurich branch in 1967. It has not shied from competition with the Big Five—although mainly in international financing—and thus has drawn enemies among both foreign and Swiss banks.

Where other foreign banks shrink from dealings with Swiss companies, Citibank has worked to get their export financing business.

E. A. Giger, Citibank's resident vice-president in Zurich, said his bank takes the business "the Swiss banks are not very eager to do," especially export loans that involve political risks.

"I think we are not competing," he said in an interview. "We do the business the Swiss companies are not very much interested in." But a few minutes later he said, "I like competition," and said he thought every firm in Switzerland should have two bankers: One for domestic business, the other for international financing and payment.

The rule, he said, also extends to foreign and multinational companies in Switzerland—they should have a true Swiss bank also.

From the viewpoint of the long-established Swiss banker, the foreign banks are a problem.

Alfred E. Sarasin, chairman of the Swiss Bankers Association (which, in the European tradition, has a considerably

(Continued on Page 8, Col. 7)

A Unique Turntable for International Funds—Some Reasons

By Jan Nugent Pearce

ZURICH (IHT).—Switzerland's unique position as financial turntable for international funds and hospitable reservoir of foreign capital came about through a unique combination of necessity, Swiss shrewdness and serendipity.

The Swiss realized in the 1700s that their landlocked little country must expand its trade with other nations to survive in the competition with the seafaring lands of Europe. This commerce had to be financed and insured and thus the Swiss banking and insurance industry had its beginnings.

When the French Huguenots smuggled the family silver across the border for safekeeping, Swiss banks began their role as discreet, competent managers of other people's money. As they solidified this reputation through political and religious persecutions, currency crises and other upheavals, the trickle of foreign funds became a raging torrent.

Writing the traditional Swiss bank secrecy into law in 1934 to protect the funds of Jews fleeing Hitler enhanced the country's already excellent position. And Switzerland has persistently continued to shield individuals' banking business from public view, despite the anguished wails of tax collectors from other lands.

There was an unavoidable decline in Switzerland's financial fortunes during World War II. But at the war's end the Swiss were back in business with a vengeance, acting as financier and intermediary between Europe's devastated countries and the rest of the world.

There are many reasons for the country's international financial reputation: strict political neutrality and stability, a central European location, a hard-working, thrifty population, a strong currency, freedom from exchange restrictions, a permissive regulatory climate, highly competent institutions and bank secrecy. And all of these have been skilfully used by the country's government and its financial community to ultimate advantage.

It was inevitable that banks from other countries looking for an international base should seek out Switzerland's congenial and profitable climate. After them came brokerage houses, mutual funds and other financial concerns, and the influx still continues although at a much slower pace.

Most Swiss realize that their financial institutions are a national resource and they are frankly treated as such. A Swiss government official explained succinctly: "We are a small country. We have no ports, no mineral resources and relatively few raw materials for manufacturing. What do we have? We have our industrious population with a high savings rate and we have our reputation as a center of world finance."

In spite of its exports of machinery, chemicals and watches, Switzerland has traditionally chalked up an annual trade deficit. The country depends on its earnings from tourism and Swiss financial institutions to push its overall balance-of-payments figure into the black, and this has been the pattern through most of the post-war years.

The total balance sheet figures of Swiss banks (which does not include the substantial trust accounts they manage for their clients) have been twice the amount of the country's total GNP for several years. In 1970, the pattern prevailed again. GNP amounted to $20 billion and the assets of Swiss banks exceeded $40 billion.

It has been estimated that the banks' foreign deposits alone equal one-half the total GNP figure. But this, like many other economic statistics, is nearly impossible to prove since the Swiss are very close-mouthed with their financial data.

The international character of Swiss finance is evident on Zurich's Bahnhofstrasse, the gilded avenue where many Swiss and foreign banks rub shoulders with rows of glittering luxury shops. The bank windows feature television sets which flash stock market reports from Frankfurt, New York, Tokyo and Swiss stock exchanges. Clusters of attentive pedestrians gather from time to time to catch the latest securities news.

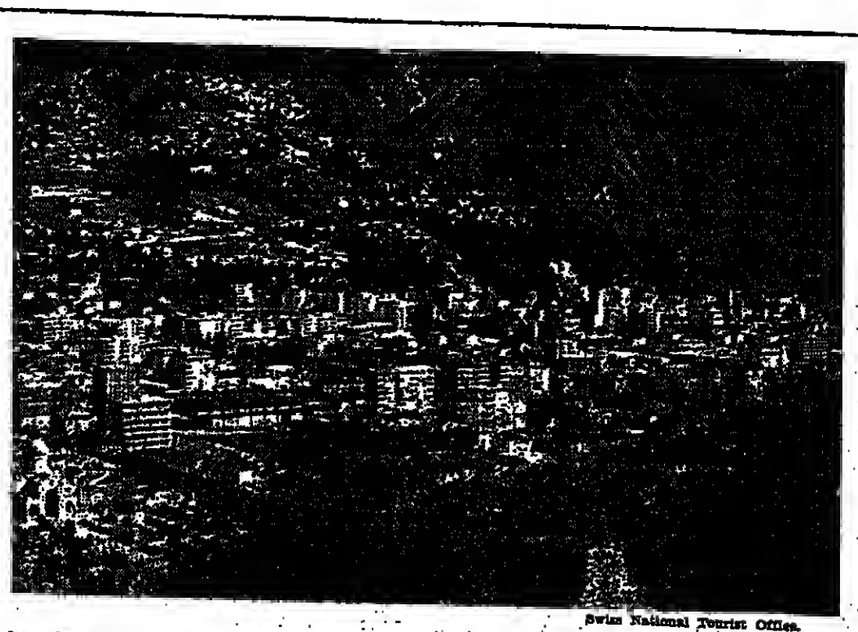
A wide range of foreign issues are traded on the Swiss stock exchanges. In recent years, as much as 75 percent of all turnover has been in foreign shares. Swiss banks are also big buyers on the New York Stock Exchange, accounting for between 30 and 50 percent of the volume, depending on the market's mood.

The flow of nonresident capital to Switzerland is so large that reinvestment abroad is the only solution, since domestic invest-

(Continued on Page 14, Col. 6)

Lugano: Blossoming Center For Banking

By Thomas J. Hamilton



Swiss National Tourist Office.

LUGANO (NYT).—This lakeside resort has been transformed into one of the principal financial centers of Europe as a result of the almost irresistible appeal of the dependable Swiss franc.

The 35 Swiss, American, British, German and Italian banks, not counting savings banks, and eight brokerage houses doing business in a town of 20,000 people are sufficient evidence of the influx of foreign capital seeking a safe haven in Switzerland.

How many hundreds of millions of dollars are brought in here every year for investment, or simply to be squirreled away in a numbered bank account, is not known, since only the savings banks are required to make public the amount of their deposits and assets.

However, one Lugano banker boasted in a recent interview that the Lugano banks now provide 40 percent of the total tax receipts of the Canton of Ticino, which has a population of 225,000.

Since Como, just over the Italian border, is only 19 miles away, Lugano offers excellent facilities for Italians who refuse to comply with government regulations placing severe restrictions on the money they are allowed to take out of the country without a permit from the treasury.

For decades, smugglers have been slipping across the Italian frontier by boat, or on foot with knapsacks loaded with cigarettes, coffee, and Swiss watches, all much more expensive in Italy than in Switzerland. These time-honored routes are now used to bring back Italian banknotes.

However, automobiles are a more dependable method because the volume of traffic across the frontier makes it difficult for the Italian authorities to catch smugglers in either direction. (There are no restrictions on the importation of any kind of money into Switzerland.)

According to banking sources, some of the banks interested in Italian business recently started making swapping arrangement that eliminate the hazards of bringing out wads of currency.

Since there are always some outside concerns who need lire to meet obligations in Italy, they buy them at a discount from an Italian who wants to convert his lire into a hard currency. The bank, of course, gets a commission, as well as the fees for handling the subsequent deposit.

Although the Lugano banks comply faithfully with the strict Swiss banking secrecy laws, it is believed that relatively little American capital has come here, if only because there are few American visitors to this resort area.

However, there are many tourists from Argentina, Brazil, Chile and other Latin American countries faced with a flight of capital and a number of them find it useful to leave money here.

More important, Lugano and the adjoining towns on Lake Lugano have a considerable number of British, Dutch and Swedish residents, while Locarno and the adjoining resort of Ascona, on Lake Maggiore, 25 miles to the northwest, is noted for its large German colony.

All of them find Swiss income taxes lower than at home, with the result, according to one banker, that the Lugano banks now handle almost as much foreign capital as their Geneva competitors or even those of Zurich.

This claim is supported by the fact that no fewer than seven Swiss or foreign banks have established branches here in the past two or three years. These include the First National City Bank of New York, which opened last year on one of the main squares of Lugano, and two of the largest European banks, Lloyds Bank of London and the Banque de Paris et des Pays Bas.

The American Express International Banking Corp. has been here since 1950.

The fact that Lugano is no longer just a tourist resort is confirmed by the lavish new buildings occupied by some of the big Swiss banks.

Foreign Banks

(Continued from Page 7)

greater influence on its government than the American Bankers Association) said in a speech four years ago that some of the foreign banks "are a source of worry to us."

"They have not only contributed to excessive foreign influence in some of our banking centers," he said, "but have also in certain instances pursued a somewhat unorthodox business policy which—at least in times of crisis—might easily be laid to the charge of the Swiss banks as a whole."

The foreign bankers interviewed saw it another way. They insist, they said, on maintaining the highest standards, and the problem children among the banks are a few small private banks owned by Swiss.

Although the Swiss banks have been known as bankers *par excellence* for a very long time, the move of foreign banks into the country is a recent phenomenon that paced the rise of multinational companies in Europe.

Although the British were represented early—witness Lloyds's decision to expand in 1919—Americans did not discover the possibilities of active commercial banking until Citibank set up shop in 1963. American Express was another early entrant in the field.

The move is continuing, although the July 1, 1969, law requiring licensing from the Federal Banking Commission has made it more difficult, and a law requiring reciprocal branching rights for Swiss banks from the headquarters country (or state) of an interested foreign bank has made it next to impossible for some. Illinois's lack of this "Gegenrecht," for example, has caused immense difficulties for the big Chicago banks that want to open Swiss operations.

The reciprocal branching privilege is only one of the major points in the law. Others require that the directors and administrators have a good professional history, specify that a majority of the important managers must live in Switzerland, require the banks to make it clear they are foreign-controlled, and bind them to follow the "gentlemen's agreements" reached by the Swiss banks under the direction of the Bankers' Association. They are also forbidden to advertise their Swiss operations heavily.

The "gentlemen's agreements" have in the past been the favored form for getting bankers' support for government policy, such as control of inflation. Although they now have no force of law, the governing coalition in Bern has proposed, as part of the new platform it published this month, making them mandatory and enforceable. A similar proposal failed once before, but it had narrower support.

One of the first banks to experience the effects of the new licensing regulations was Chemical Bank of New York, which wanted to open a branch in Zurich in October 1970.

Sour Note

Only shortly after its application was filed, United California Bank's subsidiary in Basel closed with a large loss caused, the home office said, by unauthorized trading in commodities, mainly cocoa.

That soured the idea of more foreign banks for the Swiss, and Chemical Bank had to sit patiently for more than a year until its application was approved. The branch finally opened in April 1971.

"We had to wait 524 days," Wolfgang M. Riester, an assistant vice-president in the branch, said ruefully.

Seven officers of the Basel bank were arrested, including one American. The Swiss now consider the incident closed, but it still ripples through the banking world.

Ask almost any foreign banker in Switzerland what his main business is and he will say foreign exchange dealings, investment portfolio management and corporate finance.

The foreign exchange business is centered in Zurich, where all of the major banks have active money market trading rooms—Chemical Bank has six dealers, Citibank five—that hum with the sounds of negotiations, telephones and telex through the trading day.

For them, it is big and profitable business. "The volume is very big," the manager of one American bank said.

He estimated that on one day a major Swiss bank might do $100 million to $250 million in foreign exchange trading—and 90 percent or more would be positions taken by its own traders.

Mr. Giger of Citibank said the money market provides a good opportunity for bank profits, for one reason because the small number of personnel involved makes "the expense side relatively small."

"It depends mostly on one man in a bank, the chief exchange trader," he said.

Another major activity is investment management, which usually means buying and selling stocks and bonds for the banks' customers.

"There is no doubt that the biggest buyers and sellers on the New York Stock Exchange are banks in Switzerland," Citibank's Mr. Giger said.

He said Citibank's investment customers include a small percentage of foreigners living in Switzerland, and the rest are non-Swiss living around the world.

His bank does not perform this service for American citizens, who might be trying to evade American taxes or Securities and Exchange Commission margin requirements.

For the same reasons, most foreign banks discourage any sort of accounts from citizens of their home country—in Great Britain it is illegal to have a foreign account—and refuse entirely to open numbered accounts for them.

An executive of one American bank, who asked that his identity not be given, said most of his customers are people with family fortunes attracted by Switzerland's stability and banking tradition as well as its near-impenetrable banking secrecy.

This banker said most of his trading is done on European exchanges, through European banks. Trading on the American exchanges is done through the multitude of American brokerage firms with branches in Switzerland.

Legal Conflicts

The Swiss rules forbidding disclosure of virtually all banking information except overall figures has led to some conflicts with the American regulations on reporting and capital export.

The banks have had to solve this in favor of the Swiss law, which governs their operations in the same way it governs the true Swiss banks. But they have been able to meet the American rules somewhat by reporting loans when the company they lend to gives its permission.

Other than that, however, nothing goes out, and it has led to disagreements between branch managers and their American superiors.

"I think the head office has resigned itself to the fact that it's not going to get the information," said one American banker who has been through the problems.

The same situation applies to banks' internal auditors. Bank of America, for example, reached agreement with the Banking Commission that internal auditors could inspect the books only after signing a secrecy pledge that binds them to the same penalties as resident bankers. They can take no papers away from the branch and must do all their work on the premises.

The eternal problem of finding a staff for a new bank is especially severe in Switzerland, where work permits for foreigners, except for top management, are very hard to get.

As a result, there is a competition for experienced and talented people such as foreign exchange traders, and some banks have a high turnover—one reported 62 percent staff change in 1970 and 54 percent in 1971.

Mr. Giger said Citibank's policy has been to follow the policy of the big Swiss banks in personnel and administration, and of 110 employes in Zurich only one is American (Mr. Giger is Swiss).

Another bank said his organization tries to hire securities dealers as they finish their apprenticeships, and offers incentives such as training in branches in other countries and the possibility of transfer and travel.

Nevertheless, the problem remains as the number of banks increases.

Despite their sometimes strained relations with the original Swiss banks, the foreign banks have found a profitable niche.

Mr. Riester of Chemical Bank said a new branch can show a profit after six months or a year of operations.

All the American banks look with envy at Citibank, which one said is "tremendously profitable," although Mr. Giger concedes only that it is profitable.

For this reason, and the convenience they find in servicing their multinational clients, the foreign banks appear to have found their niche in Switzerland. Barring some type of cataclysm in Swiss law—and the Swiss are not given to drastic legal changes—they appear ready to stay for a long time.

Swiss Banking Continues Its Growth

(Continued from Page 7)

ings produced testimony indicating that organized crime figures and "white collar criminals" were using numbered Swiss accounts to evade U.S. taxes and manipulate stocks on American stock exchanges.

Swiss and U.S. officials have negotiated unsuccessfully for over two years on a tax treaty to give American law enforcement officials some access to bank accounts of mobsters.

Under Swiss law, bank officials and employees can be fined or imprisoned for violating bank secrecy. Swiss officials point out that when a criminal case is brought, the bank's records are opened. But tax evasion is not a criminal matter in Switzerland and here is where the conflict arises.

One Swiss banker pointed pridefully to the cooperation shown by Swiss banks in the headline-making case of writer Clifford Irving, whose wife opened a Swiss account under the name Helga R. Hughes and then endorsed and deposited checks intended for millionaire industrialist Howard Hughes, the subject of a book by Irving. Swiss authorities located the funds and have threatened to prosecute the case.

For years, outsiders have puzzled over how much of the money in Swiss banks was put there by foreigners. Estimates have ranged from 30 to 60 percent but no one really knows but the bankers, who aren't talking. Rumor has it that every national crisis around the globe brings more money to Switzerland, where wealthy people with portable capital believe it will be more secure.

Much of the foreign capital is deposited in bank trust departments, where the banks invest and manage it. Traditionally, Swiss bankers are known more for their discretion and trustworthiness than for quick-profit tactics in managing these funds. Their image is one of conservative, experienced investors.

There is general agreement that the standards of conduct among most Swiss banks are good. But there have been a few untoward incidents. United California's Switzerland bank collapsed after its executives engaged in some free-wheeling speculation in cocoa futures. Last year, a small private Swiss bank owned by two German nationals solicited the leaders of at least two African republics for deposits, suggesting their money would be a lot safer in a numbered account in Switzerland than on the Dark Continent. Although there was nothing illegal about the proposal, the headlines were not good publicity.

Bank regulation is accomplished mainly by gentlemen's agreements, which the Swiss National Bank negotiates with banks operating in Switzerland. There have been proposals to formalize this system into written law and several observers believe this will eventually happen.

The foreign exchange dealers of Swiss banks are internationally known for their swapping of various currencies. Countries with tottering currencies have hotly criticized this business, but the banks insist their first duty is to protect their customers against possible changes in currency values. Swiss banks are also active on—and the virtual creators of—the Euro-currency markets, where the pace has been sizzling in recent years.

Interestingly enough, Swiss banks have very few personal checking accounts as Americans know them. Instead, most Swiss use a similar system administered by the post office, which transfers the funds from one giro account to another when directed. It's cheap and efficient and one Swiss banker confessed the promotion of conventional bank checking accounts is "an uphill battle."

Swiss bankers insist that the majority of their foreign funds come from European countries and not from the United States. "The neighboring countries are our most important foreign customers," one banker reported. He suggested one reason may be the language proficiency of Swiss bankers, who may speak as many as four or five languages fluently.

Swiss Bank Corp. and Swiss Credit Bank follow Union Bank in order of size, with Swiss Volksbank and Bank Leu making up the full list of big banks. In recent years, it has also become customary to talk about the "Big Three," whose size and business interests are more similar.

"When I entered the bank's management six years ago, our balance sheet was 10 billion Swiss francs," reported Dr. N. Senn, general manager of the financial division of Union Bank. "At the end of this year, it will exceed 40 billion."

Dr. Senn said the biggest growth in the bank's assets had come from its international business, although the bank's brokerage activities had also been "very profitable."

Meeting the fund drain argument head on, Dr. Senn indicated "a small part of our money comes from the U.S." But, he noted, a great percentage—between 30 and 50 percent—of the business on the New York Stock Exchange is done by Swiss banks.

Many Swiss banks have extensive investments in financial affiliates, such as mutual funds. But Swiss Credit Bank owns a wide variety of companies. Dr. Hans Mast, economic adviser to the bank's general management, ticked some of them off: a majority share in the country's largest department store chain; Electro-Watt, a large electricity holding company; FIDES, a large accounting company which also produces computer software; General Shopping, which finances retail sales outlets and others.

Dr. Mast singled out his organization's securities business as a fast-growing part of its operations. Short-term Eurodollar business is also a traditionally profitable one, he noted, but it has become increasingly risky in recent months.

Switzerland and the Common Market

By A.-L. Sugar

BERN (IHT).—For several weeks the French-speaking Swiss radio has been airing a broadcast titled "Switzerland Meeting Europe." Reviewing more than seven centuries of history, the program traces not only the internal development of Switzerland but also its firm ties to its neighboring nations of Europe, the interplay in which this nation has given much to others on the Continent and has received even more in return.

The broadcasts are significant because in this year, possibly at the end of June, Switzerland hopes to fashion even tighter economic ties—by reaching an agreement with the European Economic Community which will give this small nation special status with regard to trade and tariffs.

Switzerland insists, however, that any such accord should reflect the guidelines of the General Agreement on Tariffs and Trade. Along those lines, Switzerland wants its accord with the EEC to contain an "evolutive clause," which will provide for the opening of negotiations to enlarge the free-trade treaty whenever any such talks should appear useful in the future.

Switzerland has traditionally championed free trade and, in fact, was a leader in the campaign that led to the 1960 founding of the European Free Trade Association. That group, with eight full members—Austria, Denmark, Iceland, Norway, Portugal, Sweden, Switzerland and the United Kingdom—plus Finland as an associate member, was set up with two main aims: to achieve free trade in industrial products between member countries, and to work toward a wider settlement for Western Europe as a whole.

Now, however, three of those nations—Britain, Norway and Denmark—are scheduled to join the Common Market next Jan. 1, along with Ireland. Switzerland is concerned that it must have special economic standing that would protect it from any protectionist barriers the enlarged Market might decide someday to erect.

For an economically isolated Switzerland is unthinkable.

Switzerland is a land that has little in the way of natural resources and therefore must depend on trade with others.

Situated along key north-south European travel and trade routes, this nation was first the home of merchants and later of industrialists whose customers were scattered throughout the Continent and, ultimately, the world.

The key role of merchants in this nation is reflected far back in history, as was noted by Hans Schaffner, former economics minister in the Swiss government, in a lecture. He said that when France's King Francis I and delegates of the ancient Swiss confederation signed the "Perpetual Peace" treaty in 1516, Swiss merchants had been active in negotiating the accord so as to obtain commercial advantages for the export of goods to France.

Up to the French Revolution, they stubbornly fought at every renewal of the treaty to guarantee themselves a continuation of those privileges.

This country's traditional adherence to its commercial and industrialist instincts for survival have led it to its position today as fourth among the world's financial powers and 12th among the commercial powers.

To reach and maintain that status, Switzerland has had to depend on foreign markets—to the extent that exports now account for more than 30 percent of total production in this small, mountainous land.

These statistics give a picture of the Swiss balance of trade last year, with the figures in the middle and right columns representing millions of Swiss francs:

Products	Exp.	Imp.
Raw materials and semi-finished products	8,643.6	12,191.7
Investment funds	7,980.0	9,855.6
Consumer goods	6,963.9	5,744.6
Electricity and fuels	29.4	1,849.7
Totals	23,616.9	29,641.6

Trade Partners	Pct.	Pct.
EEC	37.6	59.0
EFTA	22.1	19.0
Rest of Europe	8.8	3.9
Total for Europe	68.5	81.9
United States	8.5	7.2
Japan	2.8	2.5
Other nations	20.2	8.3

But there are other elements in the complete picture of Switzerland's trade and business relations with other nations. Swiss traders and industrialists long ago realized that in order to penetrate more efficiently their potential markets abroad, they had to set up subsidiaries in other countries.

They followed this policy so well that when World War I erupted many Swiss firms had several subsidiaries, for sales or production, throughout Europe and overseas.

The creation of the Common Market saw this process of investment abroad continued by the Swiss, and in fact accelerated by them.

Prof. H. Schwamm, of the University Institute of Advanced International Studies and the University Institute for European Studies at Geneva, published last year a report on a survey of Swiss industries' penetration into the Common Market. He wrote:

"Taking into consideration only cases of Swiss firms establishing branches (production or trading subsidiaries) in the EEC countries between 1961 and 1971 (first quarter only), we find engineering firms the most 'aggressive,' with 114 operations, and electronics the least, with 30. Between these extremes come chemicals-pharmaceuticals (108), electrical engineering (53), metallurgy (37) and the food industries (32). Total: 374 operations.

"As for the geographical breakdown, Swiss industry tends to place most of its branches and subsidiaries in the Federal Republic of Germany (40 in engineering, 36 in chemicals-pharmaceuticals, 19 in electrical engineering, 12 in metallurgy and 9 in food industries). Italy also has been attractive to Swiss industrialists, with 31 engineering branches and subsidiaries, 30 in chemicals-pharmaceuticals, 10 in electrical engineering, 9 in food industries, 9 in metallurgy and 7 in electronics. France comes third, except in electrical engineering, where it ranks second, with 12 branches or subsidiaries of Swiss firms. France has Swiss operations totaling 21 in engineering, 15 in chemicals-pharmaceuticals, 6 in metallurgy 6 in electronics, 5 in food industries. These countries are followed by Belgium, the Netherlands and, well behind, Luxembourg.

"While Swiss industry invests most heavily in Germany (a survey of the Swiss-German Chamber of Commerce estimates that Swiss capital investments in West Germany had reached a nominal value of more than four billion francs on June 30 last year), it can hardly be claimed that the other EEC countries are neglected; on the contrary, operations are fairly evenly spread over the EEC area. The question is whether this distribution is due mainly to the ubiquity of multinational groups of Swiss origin or to the participation of more average-size Swiss firms. Only a scrutiny of the individual firms involved would give the answer.

"Considering, however, that most of the Swiss giants, all multinational, were already established in all Common Market countries long before it came into existence, and that all these groups have done since was to uphold and strengthen their position, we may well take it for certain that a considerable number of medium-size Swiss firms were keen to establish themselves simultaneously in several markets, with the object of spreading the investment risk more widely, especially during the period 1962-1966, when the EEC was not yet certain, so far as they could see, to last."

Examining the links which have been established between Switzerland and EEC members leads to the question of why this country seems so eager to sign an association treaty, at the risk of disturbing its relationship with other commercial partners.

If trade negotiations between the EEC and the six remaining members of the EFTA should unexpectedly fail, Switzerland would find itself cut off from its traditional and most important trading partners by a tariff barrier—an insupportable situation.

But the EEC negotiations with the EFTA survivors—Switzerland, Portugal, Austria, Iceland, Sweden and associate Finland—are expected to succeed, and the Common Market is expected to continue free trade with them.

This extension of free trade would be a victory for the Swiss economy and for the free-trade policy to which this nation has adhered since the end of World War II. "Switzerland's endless, obstinate fight has been the dismantling of tariff barriers," a Swiss journalist wrote recently.

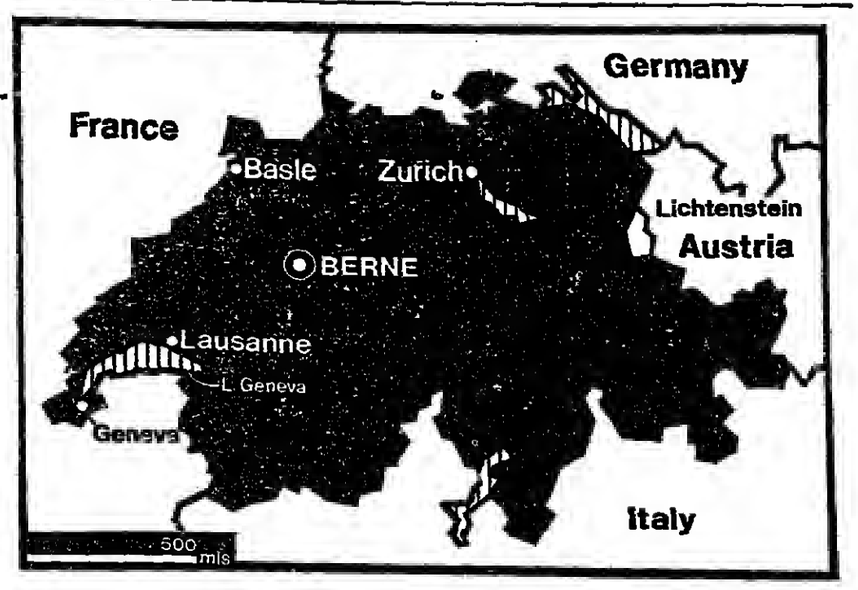
As a free-trade crusader, Switzerland has always viewed the EEC as a necessary development on the road to Switzerland's distant goal. Although barred by its neutrality policy from joining the potential political entity of the EEC, Switzerland nevertheless fought for the creation of a strong EFTA to insure that the EEC nations would not erect protectionist barriers against those outside their community.

In pursuing this relaxation and removal of tariffs on a global scale, Switzerland has emerged—with the full support of its economic and political leaders—as a champion of the Kennedy Round of GATT negotiations. Initially bogged down in what seemed petty bargaining, the talks could reopen in 1973 and achieve what the Swiss could consider real breakthroughs for their free-trade fight.

For that reason, it has insisted, on its talks with the EEC in Brussels, that GATT principles apply to any association accord between the EEC and Switzerland.

The Swiss are well aware that any such association with the EEC would probably require some deep changes in Swiss institutions, to make the economic system here more parallel to that in the EEC. Switzerland could not, for instance, maintain for a protracted period its present tax system, so markedly different from the tax setups in the EEC.

It is for the possible purpose of negotiating about such tax discrepancies, as one example of a matter for debate, that Switzerland wants the "evolutive clause" in any accord with the EEC, to provide for future flexibility in its economic adjustments. Switzerland, after all, wants to continue as much as possible to do as it has been doing, so prosperously, but it also admits the need of concessions to trade partners in return for a share of their markets.



Switzerland in Profile

Area and Population—41,288 square kilometers, or 15,941 square miles, with 5.5 million inhabitants in the 1960 census. By comparison, New Jersey has a little less than half that area, with a 1960 population of 6,100,000 inhabitants. German is the dominant language in 19 of the 25 Swiss cantons, French in five and Italian in one. Of the people, 74.4 percent spoke primarily German in 1960, 20.2 percent French, 4.1 percent Italian and three-tenths of 1 percent Romansch, the latter mostly in the canton of Graubunden.

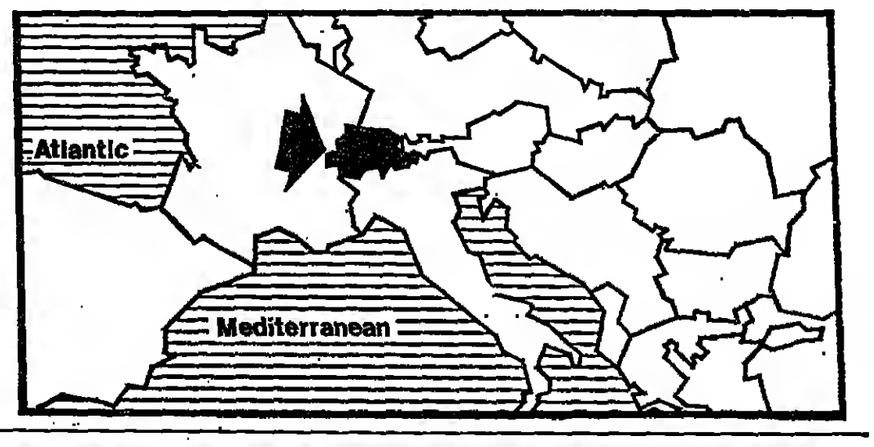
Government—The federal government in this confederation of cantons, a confederation that began with a defense treaty in AD 1291, consists of a Federal Council (cabinet), whose president is the president of the confederation; the Council of States, with 50 members, and the National Council, with 200 members. The Council of States members are elected according to cantonal laws, the National Council membership in a general election every four years.

Education—Is administered by the cantons. There are seven universities, two technology institutes and one school of economics and social sciences.

Agriculture—About 24.4 percent of the total of 4,128,790 hectares are unproductive. Of the productive area of 3,121,090 hectares, 980,650 are wooded. In 1969, 260,400 hectares were arable land, including vineyards; 1,079,630 hectares were pasture land, 693,371 hectares permanent meadow and 106,751 hectares artificial meadows. There were 149,306 farms, with a total of 1,079,599 hectares. The gross value of agricultural products in 1968 was estimated at 4.195 billion francs. Chief food-producing industries are cheese, butter, sugar and meat.

Industries—The chief industries are textiles, wearing apparel and footwear; chemicals and pharmaceuticals; bricks, glass and cement; basic iron and steel and other metals; machinery (including optics), and watches and clocks.

Labor Force—The total working population was 2.9 million in 1965, of whom 51 percent were in manufacturing and construction, 40 percent in service industries and 9 percent in agriculture. In 1969, the resident labor force of foreigners was 653,229, with almost 400,000 of them being Italians.



Chemical and Pharmaceutical Industry

(Continued from Page 7)

firms in the chemical industry in Switzerland is remarkable, considering the size of the Swiss market. The production of 55,000 metric tons of soap and detergents and of 60,000 metric tons of paints and other coating products, for example, is comparable to the annual output of those products in the much larger country of France. In Geneva is situated the world's second leading manufacturer of scents and flavors.

Basel's four giants of the Swiss chemical industry are Ciba-Geigy, Hoffmann La Roche, Sandoz and Lonza.

Ciba-Geigy, with an annual turnover of 6.95 million francs, is second in that category only to Nestle, which leads all Swiss firms, with turnover of 10.205 billion francs. Hoffmann La Roche is third-ranked, with an estimated turnover of 5 billion. Sandoz is fifth, with 2.751 billion and Lonza is 23d among Swiss firms.

In a 1971 rating of the world's 200 major chemical firms, the review Chemical Age ranked Ciba-Geigy 13th, Hoffmann La Roche 20th, Sandoz 35th and Lonza 176th.

Among the 20 leading pharmaceutical-manufacturing firms, Chemical Age put Ciba-Geigy second, behind Merck & Co. of the United States. Sandoz was ranked eighth, just ahead of such U.S. giants as Upjohn, Bayer and Bristol Myers.

A lack of statistics makes it difficult to assess the weight of the chemical industry in the Swiss economy, as one Hoffmann La Roche vice-president noted in a recent lecture.

But it must be accorded an important role — in 1970, for instance, with the gross national product put at 89.8 billion francs and industrial activity said to account for 32 billion. The chemical industry was reported to have 15 percent of that 32 billion, ranking behind the machine industry (23 percent) but ahead of the food industry (14 percent), metallurgy (11 percent) and watchmaking (8 percent).

Over the last decade, the chemical industry has been relatively dynamic in comparison with other Swiss industrial activities. Between 1963 and 1970, its production showed an average yearly growth rate of 8 percent, compared with 5.2 percent for industrial production as a whole.

Figures for 1971 will not be as impressive because of the franc's revaluation upward and because of the recession in important markets. Between January and June, chemical production in Switzerland increased by 5.9 percent, compared with 11.2 percent in that period of 1970. The whole of 1971 is expected to show a further slowdown, because of the world monetary crisis and recession trend.

World markets are important for the Swiss chemical industry.

The Leading Companies

CA-200 rank		1970 $m	1969 $m
30	Merck & Co[2]	670	610
13	Ciba-Geigy	481	na
33	Eli Lilly[3]	421	367
34	Sterling Drug	415	400
25	Pfizer	415	366
15	Warner-Lambert	408	na
4	Hoechst[4]	403	355
35	Sandoz	346	297
64	Upjohn[3]	342	320
7	Bayer	288	278
99	Bristol Myers	282	241
73	Glaxo	281	238
9	Rhône-Poulenc	257	235
82	Schering-Plough	255	227
17	Cyanamid	243	231
95	Roussel-Uclaf[4]	183	121
112	Wellcome Foundation	136	115
147	Beecham Group	132	106
8	Akzo	121	105
155	Astra	88	85

[1] Listings restricted to pharmaceuticals only
[2] Approximately
[3] 1970 is percentage of Hoechst adjusted 'group' total
[4] Includes SIFA

In fact, it sells abroad about 90 percent of its production. Ciba-Geigy has the highest export rate of all the world's chemical companies—98 percent. In 1970, Swiss firms exported 22.1 billion francs worth of goods—7.8 billion in machines, 4.7 billion in chemicals and pharmaceuticals and 2.6 billion in watches.

Buying practically all its raw materials abroad but exporting specialty products with much higher prices accords the Swiss chemical industry a favorable balance of payments. This was true even last year, although the general condition of the world's economy reduced the export rate to 64 percent for the first three quarters of 1971, compared with 13.3 percent in 1970.

But export rates and totals do not give the whole picture of the health of the Swiss chemical companies, because many of them have long been multinational firms. Geigy, which merged in 1970 with Ciba, set up a worldwide net of agencies during the second half of the 19th century, building its first foreign factory in 1888, near Moscow. Roche opened a plant in Grenzach, a German town not far from Basel, in 1896, the year of the founding of the parent firm. Ciba established its first foreign production unit, in Poland, in 1899.

By the outbreak of World War I, the "big three" of the Swiss chemical and pharmaceutical industry had established footholds in all major foreign markets. Today the "big three" have a total of more than 120 chemical plants, 130 conditioning factories and 196 distribution companies throughout the world.

Smaller Swiss firms also have built production units outside Switzerland.

The result is that the entire chemical and pharmaceutical industry of this small nation produces almost twice as much abroad as it exports.

By specializing in high-quality products, the Swiss industry has avoided saturation of potential markets and thus has become less susceptible to major losses during periods of price breakdowns, a situation that recently hurt the plastics and man-made fiber manufacturers so badly.

In concentrating on specialty products, the Swiss industry has differed from competitors in other Western nations. The others' specialty products account for hardly a quarter of their production, while specialties constitute at least three-quarters of the Swiss firms' output.

With only nine-tenths of 1 percent of the total production in the Western world, the Swiss chemical industry nevertheless enjoys a leading position in several important fields, among them:

* Pharmaceuticals—In ranking second to the U.S. industry, Swiss chemical manufacturers claim 11 percent of the world market. The significance of this is evident when it is considered that this market is divided among 3,000 firms, none of which has a share greater than 4.5 percent. Although Ciba-Geigy was ranked second to Merck of the United States in Chemical Age's 1971 ratings of pharmaceutical makers, it is probable that another Swiss firm, Hoffmann La Roche, would have been at the top of the list if it didn't have a policy of never publishing information about its financial status.

* Dyestuffs—Except in the case of Roche, which began with pharmaceuticals, dyestuffs were the first products of the Basel-based chemical firms. Today the Swiss companies have 13 percent of the world market for these products, ranking behind the United States and West Germany. Since its formation in the 1970 merger, Ciba-Geigy has been the world's largest manufacturer of dyestuffs.

* Agro-Chemicals — Ciba-Geigy is strong in herbicides and pesticides. Roche, a leading vitamin producer, is important in food supplements and is also a major producer of animal-care products. Sandoz also is a major power in food supplements. Lonza is a principal maker of fertilizers.

* Research and Development—The Swiss chemical industry has always emphasized this aspect of its operations, with the result that it has developed a long list of products considered breakthroughs in improving the world's health, registering new patents annually in a widening range of products.

Swiss parent firms of multinational complexes ellot between 8 and 11 percent of their budgets to R&D each year. This compares with an average R&D investment of 4 percent elsewhere in the chemical firms of the world. Only in the United States do some companies invest as heavily in R&D as do the Swiss firms. Elsewhere in the world, many companies prefer to copy rather than create. In several countries this is far more profitable than R&D because of a lack of legislation to protect intellectual properties. Neither this situation in foreign markets nor the increasing cost of research has induced Swiss chemical firms to cut down on their R&D.

Because of this emphasis, Basel has developed into an important scientific town and will undoubtedly become even more so in the years to come. This prediction is a viable one because R&D will assuredly become more important in the future, and because—on account of the growing Swiss shortage of space, manpower and water supplies, new production plants are unlikely to be a feature of the Swiss industry's life ahead.

The trend for Swiss production units that do exist is to concentrate on developing prototype products, with full-scale production scheduled for foreign factories.

Some research operations also have been exported, to maintain close liaison between laboratory and production plant. Today, the Swiss chemical and pharmaceutical industry supports major laboratories in practically all of its important markets.

Some years ago, a new technique evolved of creating, in Switzerland and abroad, institutes which deal exclusively with pure research. Under this program, an example is the Woodward Institute in the United States, an organization founded by Ciba-Geigy for chemical research. It is directed by R. B. Woodward, a Nobel Prize-winner on the Harvard faculty. The "big three" here have set up other such institutes.

"Whether this great effort toward pure research will bring some practical results during this decade is difficult to say," commented the head of one research division in a firm headquartered in Basel. "But in any case, the industry is well equipped for the future."

The chemical industry, which has penetrated almost every phase of life on this planet, from agriculture to food-processing to housing to man-made fibers to spacecraft, is certain it will, through extensive R&D, come up with even more wide-ranging applied products.

A breakdown of the current output of the Swiss chemical firms shows that pharmaceuticals account for 40 to 45 percent of production, dyestuffs 15 to 20 percent, basic and intermediary products 5 to 10 percent and up to 5 percent in each of the following categories: agro-chemicals, plastics, soaps and detergents, paints and other coatings, application products for textiles, paper and leathers, and scents and flavors.

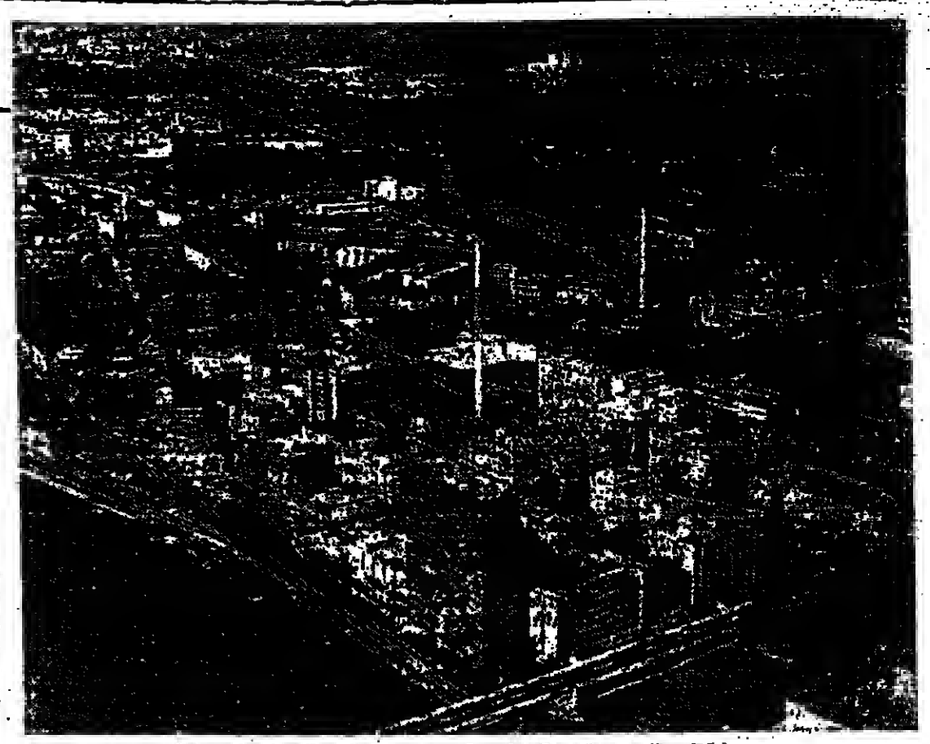
In some of these traditional fields, there exists still a fertile possibility of developing new products, or of expanding production operations to meet ever-growing market needs. This is especially true, perhaps, in agro-chemicals and plastics. Mass production there can still expand, with enlarging markets, to levels almost unimaginable 20 years ago.

Diversification has long been a policy of the Swiss chemical industry. Recently, for instance, Roche and Sandoz have started to develop surgical and medical equipment for hospitals. They have signed collaboration agreements with firms belonging to the machine industry, notably Brown Boveri and Contraves in Switzerland, or have taken over companies already specializing in this field. Roche absorbed Electronique Marcel Dassault, a former division of the French aerospace firm, near Paris. Sandoz integrated into two Italian groups, Sterilplast and Dasco, which manufacture surgical instruments.

Another example of diversification is Sandoz's 1967 takeover of the Wander-Claro group, an important dietetic-food manufacturer.

Protectionism, the nationalistic spirit in developing countries, a lack of protection for intellectual properties in some nations, growing production costs, reduced profit margins, deterioration of the environment and the world's economic difficulties and monetary problems are all negative factors when considering the prospects for the chemical industry of Switzerland.

But, thanks to its financial, commercial and technical competence, and to its towering stature in the chemical world, the industry here is confident of advancing into the future on a healthy course.



The giant Ciba-Geigy complex in Basel, on the Rhine.

The Watchmaking Industry

(Continued from Page 7)

product competition and with American financial penetration into its own treasuries, the Swiss watchmaking industry reacted in two ways:

● It started to reorganize its corporate structures.

● It began an intensive search for entirely new types of watches.

Until recently, Swiss watchmaking was almost solely a family business, with production divided among numerous (there were 1,700 last year) firms and very specialized companies.

Some firms have managed to maintain their traditional structures, but the majority found it increasingly difficult to survive in the struggle for markets and new products.

An antidote was found in the technique of concentration, a process which has been accelerating during the past two years. Today, 10 firms account for 65 percent of total Swiss watch production.

"Alone, a big economic bloc can successfully resist the growing pressure one feels on the world markets," according to a recent survey of the Swiss watchmaking industry. "Besides, concentration is the only key to the capital market. And it is only in the capital market that it will be possible to find the financial means for research and development, as well as the investments that will allow a growing productivity. The first public issues of shares of the watchmaking industry, in 1969, are a revealing illustration of this trend."

ASUAG/Ebauches S.A. is a group that is to a certain extent typical of those joining this trend toward concentration. It was founded more than 40 years ago, to bring together most manufacturers of spare parts. Being practically the only source of the main components in a watch, it acquired a key position in the industry.

But only recently ASUAG/Ebauches felt it necessary to become a manufacturer of finished watches, thus becoming a competitor of its own traditional customers.

"Consumers frequently change their habits," explains ASUAG's latest annual report. "A growing number of products and services are offered to them. New retail systems appear. They favor the sales of economical products, at the expense of dearer watches. Moreover, the coming of new technologies and the search for new materials bring about a diversification of products.

"Consequently, manufacturers of components are led to show more interest than before in the markets' reactions, if they do not want to be overtaken by foreign competitors and to see their inventories grow dangerously. Their big production units do not allow them to change their production from one day to another. It will be more and more necessary to take part in prospective surveys of the markets—which will help to establish long-range plans."

That is an explanation of ASUAG/Ebauche's takeover of two groups, General Watch and Longines-Rotary, both active in producing finished watches. They will act as the new parent firm's bridge between basic manufacturing and the world's markets.

Before these takeovers, ASUAG/Ebauches ranked third among the world's top watchmakers, with a turnover of 760 million francs. That put it behind only Timex, with a turnover of 860 million, and Hattori-Seiko, with 779 million. The takeover of General Watch and Longines-Rotary should enable ASUAG to top the list, with more than a billion francs in turnover.

Concentration, the search for new strategies on selling and market development are only part of the Swiss industry's changing picture. The other, of course, is new-product development.

At present, conventional watches dominate production throughout the world. But research is under way, on a wide-ranging plane, to improve the products. Every important manufacturer has its own laboratory for that purpose. But there is also a common institution, the Swiss Laboratory for Watchmaking Research, which deals with advanced metals technology and similar possibilities for product change.

One possibility being explored intensively in Switzerland is that of producing electronic watches. In that field, a second common laboratory has been established, the Horological Electronic Center, designed to study specifically the problems of developing an electronic wristwatch. Success in these studies has surpassed expectations, not only at the common center but in many firms' private research and development laboratories. The result is that several electronic watches are appearing, or are about to appear, on the markets.

"It would be wrong to think that measuring time with electronics is exclusively a matter for specialists and professionals within the watch industry," said the report on the recent survey of Swiss watchmaking. "It is of the greatest interest to the scientists and technicians in other branches of the industry. The electronic watch seems even to fascinate a large public through its almost perfect accuracy. The marketing surveys which have been conducted in West Germany and in the United States on behalf of the Swiss watchmaking industry are particularly significant: sales possibilities of electronic watches on these markets seem practically unlimited."

Another interesting invention new on the market is the watch, presented last spring, with the main parts made of plastic.

Its development results in an important simplification of the manufacturing process. Whereas one of the main components of a traditional watch needs 40 steps in its manufacturing process, the equivalent plastic part requires only one manufacturing step. In this new watch, there are far fewer components: 52, compared with more than 90 in a conventional watch.

"As far as price is concerned," one expert said, the development of a watch using plastic main parts is the most important advance in the industry.

Other important research in the Swiss industry concerns greater automation of watch production. Several firms are conducting such research, among them ASUAG. It has succeeded to the extent that it now offers watchmakers a wide range of machinery, one of its most sophisticated products being a completely automatic assembly line.

Beyond the immediate problems of developing new types of watches, the industry is also gearing for diversification. With the electronic watch expected to take a growing share of the markets, industry insiders foresee that within 20 years Swiss watchmakers will have to look for other products to turn out of their factories. Otherwise, they fear, many factories will have to be shut down. They predict that this will be a rapid evolution, this changeover to other products, but they don't forecast any drastic upheavals.

Swiss watchmakers are enjoying prosperity in the present, and they want to insure that they will prosper in the future.

Switzerland—Italian Style

By Stuart Troup

A mutation: a Mediterranean climate, an Alpine geography, a winter and summer sports center and the Swiss hospitality.

LOCARNO (IHT).—They are skiing now just above this lakeside resort full of subtropical foliage, where a rare overnight snowfall leaves pretty little sculptures nesting in the palms.

Many of the enthusiasts will continue to ski the slopes of Cardada and Cimetta into April, while mimosa, camelias, azaleas and wisteria invite the less hardy to the balmy lakeside villages. And the lure of the lakes, the mild climate and the summer sports will last until the skiers trek back up the slopes next autumn.

The tourist season, like the mountain-top snow, never disappears from the Swiss canton of Ticino, which stretches south from imposing St. Gothard through the deep mountain wrinkles that course to Lake Maggiore, Lake Lugano and Italy.

It is Switzerland, Italian style, and close to 950,000 persons arrived to see it—to relax in it, to play in it—in 1971. But the tourism people object to the word "arrived."

"The arrivals do not have so much importance for us because we reckon the overnights," says a spokesman for the Ticino Tourism Association. "Economically it is not the number of persons which is important, it is how long they stay." The number of so-called "overnights" last year was 5,600,000, of which 750,000 were spent during the winter.

Year-Round

The tourism association sees the tourist season as spring, summer and autumn—and the figures support that view—but the presence of the lower Alps and the impressive facilities at Airolo, Cardada and Cimetta have made the presence of skiers a vigorous added income.

The greatest number of tourists, aside from the Swiss and visitors from Liechtenstein, come to Ticino from Germany (about 20 percent). The tourist association lists visitors from Italy as the next largest group (about 10 percent), with visitors from virtually every other European nation comprising the balance.

The number of American tourists has been low, apparently because few of them tour Europe by car or train, and Ticino's airport at Agno cannot handle large jets. Only about 2 percent of all tourists arrive at Agno Airport.

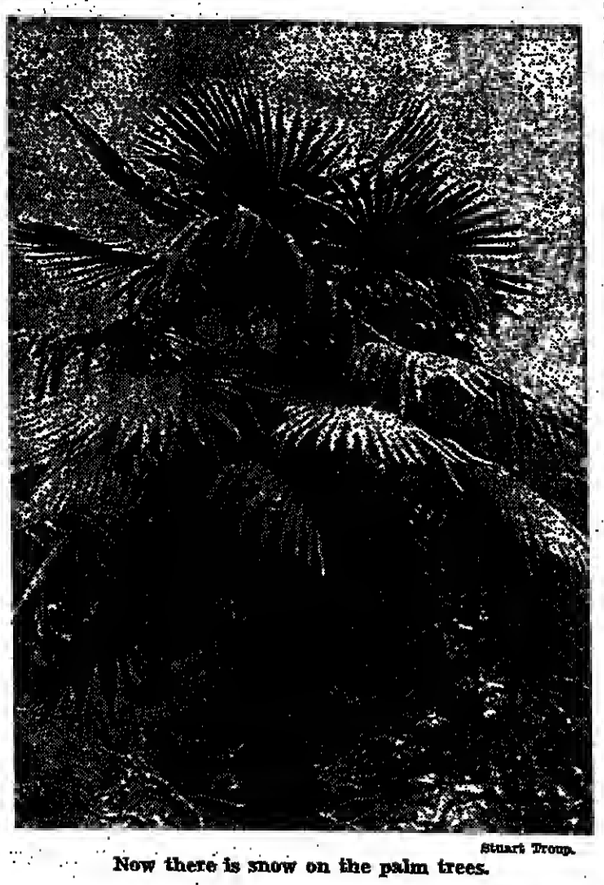
A number of charter flights for tour groups, however, have been arranged by agencies. Those flights land at either Zurich or Milan and reach Ticino by train or bus. The principal organizers of the charter flights have been English agencies: Swiss Travel Service, Swiss Hotel and Travel Bureau, Cosmos and Cook.

Ticino is a province of sharply rising mountains in the north—therefore one of deep passes and lush valley wildernesses. It is a countryside of gentle hills, picturesque lakes and a Mediterranean-like climate in the south—therefore one of subtropical plants and fruits growing within sight of mountain pines. And there are pathways everywhere from which to see it.

At the north, it is the great watershed of western Europe. From the heights of St. Gothard flow the Rhine to the North Sea, the Rhone to the Mediterranean and the Ticino—through Lake Maggiore and the Po River—to the Adriatic.

The Ticino

It is the Ticino River that gives the canton its name. Its course to Lake Maggiore is through the Leventina Valley, whose northernmost principal village is Airolo, on the southern slope of the St. Gothard Pass. Airolo is gaining a fine reputation as a ski center, but it is ideal in summer, as well, for walking tours and mountain excursions.



Stuart Troup.

Now there is snow on the palm trees.

A bit farther down the valley is Piotta, from which a funicular provides a mountain-top ride to Lake Ritom. The resorts of Ambri, Piesso, Rodi and Faido—the latter two with skilifts—follow, their houses gracefully and sometimes precariously perched on the valley's hillsides.

By the time one reaches Giornico in the lower Leventina, the first vineyards can be seen. And at Biasca—the foot of the valley—another glorious valley, the Blenio, stretches directly north and the Ticino River wanders south toward Bellinzona.

The trip north through the Blenio, by a car or electric railway, leads to the summer resorts of Olivone and Acquarossa, which has a reputation for its springs and baths. South is Bellinzona, capital of the canton, with three well-preserved and imposing castles from the Middle Ages overlooking its sprawl from graceful hillsides.

Still following the course of the river, from Bellinzona it is a short drive to Lake Maggiore and Locarno. Maggiore, like Lake Lugano to the east and south of it, is massive, beautifully framed by the subalpine mountains and dotted at its shores with charming villages and glorious vegetation.

The lake itself, of course, is a great attraction for sailors, water-skiers and—still—bathers. There was much fuss last summer about pollution in Maggiore and Lake Lugano, but neither lake has totally succumbed to the effluents that are destroying other resort waters. What is more, the Swiss are doing something about it.

"New canalizations and clarifying plants are under construction," the tourism association spokesman says, and adds: "Bathing is allowed in the lakes of Lugano and Maggiore with few exceptions in certain areas in the bay of Lugano, Agno and Locarno."

Locarno is a comfortable resort village from which—if one tires of its lake shore promenade, or of the fresco-adorned walls of its Castle of the Visconti, or of its pilgrims' Church of Madonna del Sasso or of its charming streets—one can take day or half-day trips to its incredible surroundings.

Most obvious, certainly, are the boat excursions—notably the one to the Isles of Brissago, which contain subtropical botanical gardens. But there is also an electric railway to Bignasco in the Maggia Valley, and from there a road to Fusio (4,270 feet high) and a path to the Bavona Valley as far as San Carlo. Mountain tours from San Carlo are organized to Basodino Cabin, which is 6,190 feet high.

From Locarno, there is bus service, too, to the Verzasca and the Onsernone Valleys. And there is a suspension railway to Mount Cardada, from which a chairlift continues to Cimetta, which is 4,950 feet high.

The Centovalli can be reached from Locarno by an electric line that runs westward all the way to Domodossola, in Italy. The Centovalli, which means hundred valleys, is a rugged wilderness sprinkled with the characteristic, stone-constructed villages of Ticino.

Closer to Locarno, and certainly worth visits or stays, are the villages of Ascona, Losone and Arcegno. Ascona is at the edge of the lake and has a full complement of sports facilities. Losone lies behind Mount Verita, and—even if it were not so fine a place to visit—is worth the trip if only for the pretty walks that can be made through the forest to reach it. Arcegno is about a mile from Locarno, high on a hill, and filled with delightful landscape.

Lugano

Southeast of Locarno is Lake Lugano and its principal city, Lugano—a warm, luxuriant resort on the southern slopes of hills that gently descend to the lake. It boasts the greatest number of sunshine hours of all central European resorts; it is sheltered from north winds by a chain of mountains, and its tourist office asserts that it is a health spa... "soothing to the nervous system... stimulating... health-giving to the heart, circulation and respiration." Perhaps, but foremost...

Lugano is a lovely place to be, and from which to wander by car, bus, boat, rail, cable or foot. There is a wide choice in accommodations among its 200 hotels, some of which have swimming pools. And when one has tired of Lugano's endless panoramas, there are others to be seen via funiculars to Mount Bre and San Salvatore. Excursions are organized to the Malcantone area via electric railway through typical Ticino villages like Bioggio, Magliaso (which has a new 18-hole golf course), Caslano and Ponte Tresa.

The vineyards, the chestnut groves and even the cornfields of the Lugano area are worth seeing for the panoramic settings of which they are part.

One trip from Lugano is a must, a trip to Capolago, where a cog-wheel railway climbs to Mount Generoso (5,300 feet high) with a stop at Bellavista (4,013 feet). The rail ride is an hour to the summit of the mountain, from which there is a superb view of the Italian, Swiss and Austrian Alps and of the north Italian lakes, the Po Valley and the Apennines to the south. Three to five trains make the trip daily from early spring to late fall.

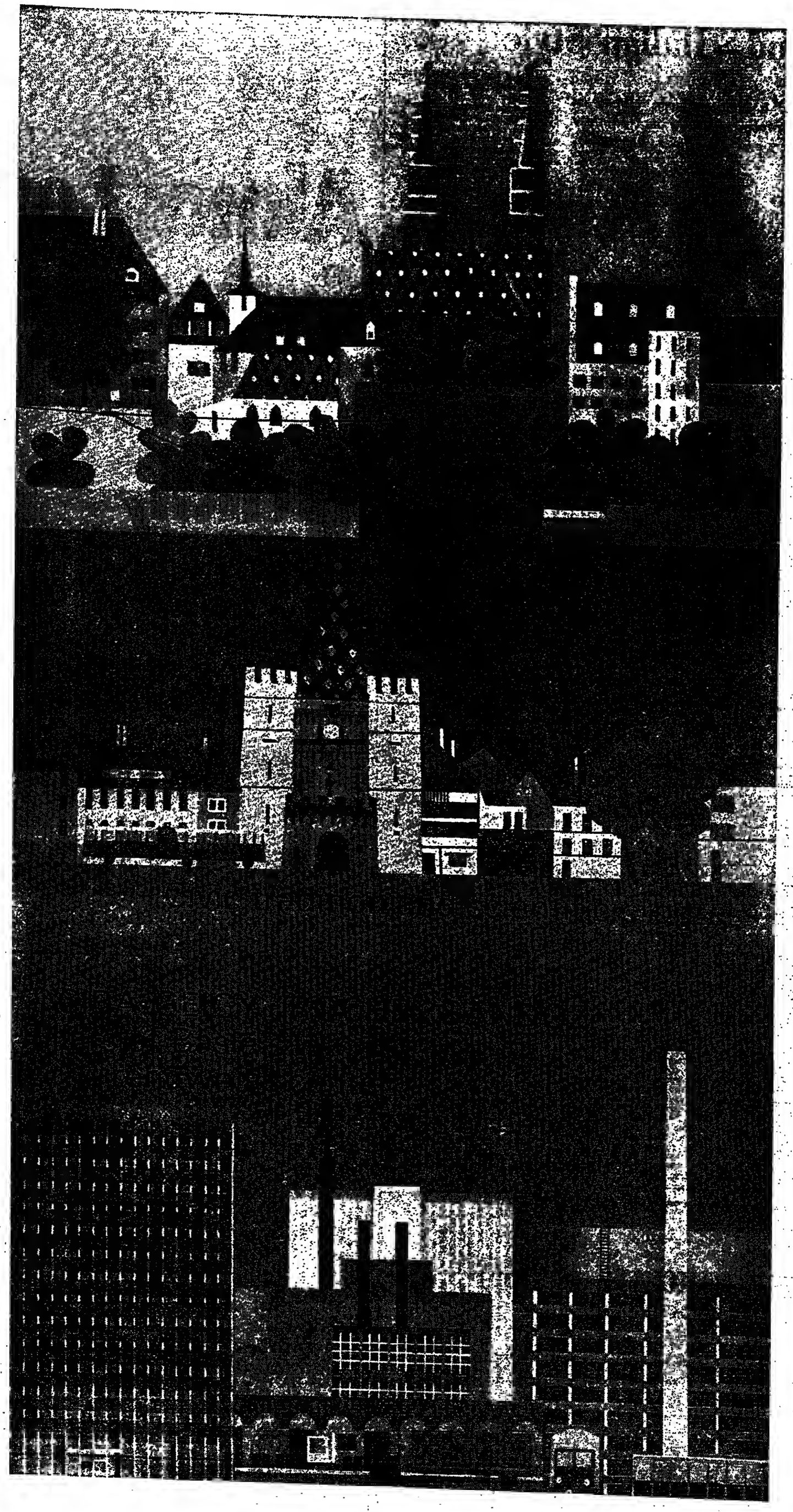
Accommodations can be had at Mount Generoso, making it possible to leave Lugano in late afternoon to see the sunset from the mountaintop (or the next morning's sunrise) and to return to Lugano after breakfast.

A Mutation

Throughout the canton, there is an extensive range of facilities, with 28,443 beds available in hotels and pensions and 5,021 in private houses. Tennis can be played indoors and out at Locarno, Lugano, Agno, Campione and Ascona; a new sports center has been established at Carona and another at Bedano, and lessons in water sports are available all along the lakefronts.

The tourist association notes that there will soon be more. A convention house is planned for Lugano, along with a public enclosed swimming pool; there will be a cableway to Mount Tamaro; a new sports center is planned at Origlio, and a number of new hotels are being built.

Switzerland, Italian style, is a mutation: a Mediterranean climate, an Alpine geography, a winter and summer sports center and hospitality as only the Swiss have a reputation for providing it with an Italian flavor.



Tourism: New Trends and a Time of Transition

(Continued from Page 7)

pay as little as 20 or 25 francs a day for full pension. Almost anyone can afford a skiing vacation at that kind of Swiss resort." (The Swiss franc is valued at about 3.85 to the dollar.)

Another bit of encouragement for travelers on a budget may be the introduction on March 1, 1972, of the Swiss Holiday Pass. This simplified form of the Swiss Holiday Ticket, which now provides reduced rates for travel by foreigners in Switzerland, will operate rather like the Eurailpass (which continues to be good for travel in much of the country). The Swiss Holiday Pass will only be sold outside Switzerland, and will be available to any non-resident of Switzerland. It will offer unlimited travel on most Swiss railways, tourist boats and postal buses for periods between 8 days and a month.

Prices range from 90 Swiss francs for a 2d class pass good for 8 days, to 240 Swiss francs for a first class pass valid for a month.

Summer has traditionally been Switzerland's major tourist season, and so it remains, according to Mr. Birmann, but winter is catching up.

"Except for those tourists who want to go to Geneva to the Grand Théâtre and see an opera, or come here and see Nureyev at the Zurich Opera House," Mr. Birmann said, "the winter season is restricted to our ski areas. Holidaymakers tend to rush through the cities to get above the clouds to those sunny ski areas—and they are always packed full."

According to Mr. Birmann, "Of an estimated six billion francs spent annually by native and foreign guests in Swiss tourism, more than two-fifths of this amount may now be credited to the winter period."

And what about competition from other winter sports areas?

"Well, we do have quite a bit of competition in winter now," Mr. Birmann said. "The French are making tremendous efforts, building new, futuristic-looking 'stations'... And Italy is advertising in the United States that 'The Alps Belong Mostly to Italy'—you see, they have measured them and figured out they have the biggest share of the Alps."

"But business is so good here that it's not necessary for the time being for us to really do anything to meet this competition. Besides, since we are very liberal in Switzerland," he added, with a smile, "we think, all right, let the people find out for themselves. Let them compare, for instance, what they get in Austria and in France and so on."

Competition

Do the Swiss feel any competition in winter from warm weather vacation areas, such as North Africa?

"Oh, no," said Mr. Birmann, "this is an entirely different clientele. Besides," he added, laughing and assuming the tone of a Swiss schoolmaster, "in my opinion, going from the cold of winter to a tropical area is something unnatural. I can't imagine that such an abrupt change of climate is very good for your general constitution—you come back all sunburned and then you catch colds! Anyway, the Alpine sun is so strong in Switzerland with its ultraviolet rays that, especially if you wait until March, it can be just as warm as in a place like Tunisia."

More and more Swiss resort hotels and communities are building indoor swimming pools, according to Mr. Birmann—sometimes offering sunworshippers an outdoor area or sunbathing even in midwinter.

And are the Swiss expanding geographically into new tourist markets?

"Well, we have our first group of journalists visiting from Communist China this month," said Mr. Birmann, looking pleased.

The Visitors

As it has done regularly since the turn of the century, Germany led the list of countries from which visitors came to Switzerland in 1970 (the most recent year for which detailed statistics are available), accounting for 27.5 percent of overnight stays by foreigners.

France was in second place, with 13.2 percent, followed by the United States, contributing 12.6 percent, and the United Kingdom and the Irish Republic, with a total of 10.9 percent.

Next came Belgium (6.7 percent), Italy (6.5 percent) and the Netherlands (5.9 percent).

The number of overnight stays in Switzerland by visitors from the United States continued to increase remarkably in 1970, by 18.4 percent over 1969 figures.

Swiss National Tourist Office.

And the 1969 increase over the previous year had been 25.3 percent.

Other noteworthy increases in overnight stays from 1969 to 1970 were registered by Japan (25.4 percent), Yugoslavia (14.5 percent), South Africa (24.9 percent), Argentina (13.2 percent), Turkey (15.1 percent), Australia and Oceania (17.1 percent) and India and Pakistan (calculated together despite the vagaries of their politics, with 29.8 percent).

Decreases in overnight stays were recorded during the same period by Eastern European countries (—21.4 percent), Tunisia, Algeria and Morocco (—27.9 percent), the United Arab Republic (—10.6 percent) and Israel (—7.1 percent).

2 Percent Growth

These totals represent a growth of about 2 percent over tourism figures for the year 1970, according to Dr. Werner Kampfen, General Manager of the Swiss National Tourist Office. While the 1970 rise had been more than 5 percent above the previous year's, and the growth rate in 1969, 3.8 percent, Dr. Kampfen feels that it is too soon to judge whether this decline in the percentage of increase of tourists in Switzerland represents more than a temporary drop.

"This slowdown has taken place not only in Switzerland," he says, "but in many other countries, too—perhaps as the outcome of worldwide conditions such as higher unemployment and devaluation and revaluation of currency."

Of the ten tourist regions of Switzerland, the traditionally popular Lake Geneva area led in total overnight visits in 1970, with 6,444,000. The Grisons region was in second place, with just under 6,000,000 overnight stays. The other areas, listed in descending order of overnight visits in 1970, are: Bern, Central Switzerland, Ticino, Valais, Zurich, Northeast Switzerland, Northwest Switzerland and Fribourg, Neuchatel and Bernese Jura.

The regions of Ticino (which is also known as Tessin) and Central Switzerland showed the largest relative increases in overnight visits for 1970 (10.2 percent and 9.5 percent respectively).

Although it is incorrect to suggest that Switzerland lives only from its tourist trade, tourism is indeed an important factor in the Swiss economy.

It is estimated that only 50 percent of Switzerland's six million people can be fed on the produce of the Swiss soil. The other three million must be permanently dependent on imported food.

To pay for increasing imports of vital goods from abroad Switzerland must rely on its export industries.

Export Values

The Swiss Federal Bureau of Statistics provided the following list of export values for 1968:

1. Machinery 5.660 billion Swiss francs
2. Chemical and pharmaceutical products 3.500 billion Swiss francs
3. Tourism 3.100 billion Swiss francs
4. Watches 2.817 billion Swiss francs
5. Textiles 1.560 billion Swiss francs.

Tourism, which produced the third highest total income on the list, is considered an "invisible export."

According to the Swiss National Tourist Office, gross income from tourist expenditures in Switzerland now amounts to 8 percent of the total national income.

Tourism ranks consistently as the largest credit item in the Swiss balance of trade and the total capital invested in tourist-related facilities is estimated at 8 billion Swiss francs.

Some idea of the importance of hotel-keeping in the Swiss economy is indicated by the ratio of hotel beds to the country's total population. According to the Swiss National Tourist Office, in 1969 Switzerland had a total of 251,981 beds in hotels, motels and pensions. This was equivalent to 42 hotel beds for each 1,000 inhabitants—the second highest figure for all major tourist countries. In first place came Austria, with 50 hotel beds per thousand. The United States and France had 29 and 25 hotel beds respectively for each thousand people.

Switzerland reported an increase in total hotel beds to 255,992 in 1970.

A number of factors have contributed to Switzerland's success as a tourism center—among them are the country's compact size; its entertaining diversity of cultures (as their mother tongue, 75 percent of the Swiss speak German, 20 percent speak French, 4 percent speak Italian and 1 percent Romansch); the reputation of the Swiss people for being honest, pleasant and peace-loving; the country's extensive and efficient systems of transportation, and its highly developed facilities for all types of summer and winter recreation.

The major tourist attraction, though, continues to be the variety and grandeur of the Swiss landscape itself.

Many people feel that it must be strongly defended today in order to be enjoyed in its natural state by the tourist of this year and ten years from now.

National nature protection laws have recently been enacted in Switzerland. Many cantons have banned the use of snowmobiles within their areas. Arguments are in progress over whether construction of skyscraper-type accommodations should be allowed in Swiss Alpine resorts.

The Future

And for the tourist of the future?

"It is becoming ever more clear," Dr. Kampfen says, "that the tourist of the next century will be a person enjoying mostly free time who will regard transport purely as a means of getting him as quickly and comfortably as possible away from his concentrated center of population to his chosen recreation area."

"He must literally re-create himself in a health-giving environment: He will want to fill his lungs with fresh air in extensive nature reserves, themselves the last natural lungs left over in this polluted globe."

"More than ever," he continues, "tourists desire a vacationland with endless horizons. Switzerland's wild, untouched Alpine valleys especially impress our guests from densely populated cities. And the Switzerland of tomorrow must guarantee these health-giving open spaces. This is more important than mere technical development of hotels and holiday centers."

"The countryside—the basic asset of our tourist country—is irreplaceable once it is destroyed," says Dr. Kampfen.

"Looked at in this light, the first requirement for a tourist country—at the top of the list of priorities—is the protection, guarantee and maintenance of its recreational areas."

The Mutual Fund Market: Strength and Change

By Jan Nugent Pearce

ZURICH.—Swiss mutual funds had a good year in 1971, despite the international currency crisis and uncertainty on the American and Swiss stock markets. The number of foreign funds selling here dropped sharply, the result of a new law governing their operations, and their redemptions exceeded sales in the second and third quarters.

Swiss funds' sales of 1.5 billion Swiss francs from January to September exceeded the total amount sold in 1970, the previous record sales year. Funds with foreign investments paid a price during the monetary upheavals, but generally dividends were stable, or a bit higher, in the year.

The composition of the Swiss mutual fund market has changed drastically since the late 60s, when well over 100 foreign mutual funds captured three-fourths of the market. The sales figures illustrate what has happened:

In 1969, foreign funds' sales exceeded 757 million Swiss francs, and relatively few people cashed in their shares. Sales dropped sharply to 481 million francs the next year while redemptions jumped substantially. In 1971, there were 67 foreign funds operating, and redemptions exceeded sales during most of the year.

A New Law

Some of the drop was caused by a crisis of investor confidence and currency and stock market problems. But much was due to the effects of a new law drafted by Swiss authorities after observing the crisis of IOS and several other go-go funds, many of whom had luxurious headquarters in Geneva.

In contrast, Swiss funds' sales remained relatively stable during 1969 and 1970 and increased in 1971. Redemptions grew somewhat last year, but remained generally moderate.

The new Swiss regulation for foreign funds became effective in 1971. Its provisions (and its effect on the market) are similar to those of the new German mutual fund statute.

Switzerland now requires each foreign fund to appoint a Swiss bank, with minimum capital of 27 million Swiss francs, to handle its advertising, distribution and act as its cash depositary. Subscribers must be able to cash in their shares at any time.

Investment Policy

The new rules also cover investment policy. They forbid foreign funds from making hedge transactions or short sales. They cannot buy stock in other mutual funds or take up more than 10 percent credit compared to their total assets.

Independent auditors must check the annual financial figures, and each fund's prospectus must be in one of the Swiss languages—German, French or Italian.

Foreign funds that cannot meet these requirements are not allowed to sell in Switzerland. Although there have been complaints, Swiss officials insist they have merely tried to apply the same rules to non-Swiss and Swiss funds in order to protect investors.

The Swiss are inveterate savers and investors. According to official statistics, the per capita investment in mutual funds is 1,300 Swiss francs—well above the comparable American or German figures.

The Swiss funds are generally a sound, conservative lot. Most of them are owned by Swiss banks, who publicize them widely as a good investment prospect for smaller investors.

Many foreigners also invest in Swiss funds because of a favorable tax advantage available to them. The customary 30 percent tax on share profits can be avoided by foreigners if 80 percent of the fund's income comes from foreign investments. No one knows how many foreigners own Swiss fund shares, but some funds report 30 to 40 percent of their shareholders are non-Swiss.

INTRAG, Switzerland's largest with total assets of 3.3 billion francs, is owned by Union bank, Switzerland's largest bank. It was founded in 1938 and now manages 14 funds. Each of the big banks manages a string of funds, whose investments range from securities, bonds and real estate to miscellaneous investments in specific countries.

During 1971, sales of both funds—regarded as a good vehicle for cautious investors—showed very heavy gains. Real estate funds, which are strictly regulated under Swiss law, sold well, but their increases were not as great.

The Insurance Business

By John M. Pearce

ZURICH.—For most of the Swiss insurance industry, 1971 was a good year. The life insurance giants registered substantial gains in premium income despite lower tariffs introduced the previous year, and the other types of companies were not far behind.

Only in the field of automobile liability insurance was the picture gloomy because the companies, despite higher premiums, had not recovered from a sharp and unexpected increase in claims payments in 1970.

"The field of insurance can look back on a satisfactory year, although developments varied from branch to branch," Swiss Credit Bank reported in its analysis of the industry at the end of 1971.

In life insurance, the companies look forward to continued growth.

Raymond Devrient, chairman of La Suisse insurance company, wrote at the end of last year that despite "signs of a certain economic leveling off," incomes should continue to rise, "as well as the savings activity and the need for protection upon which the field of life insurance is built."

Switzerland has an extraordinarily high savings rate—13.1 percent in 1970—and the government is trying to encourage this tendency to keep free money from making the nation's inflation worse than it already is.

Plans to encourage further savings are part of its "three-pillar" insurance program of increasing pensions, mandatory social insurance for old age, death and disability, and savings.

In the view of Peter Brechbühl, general director of the giant VITA Life Insurance Co. and president of the Association of Swiss Life Insurance Companies, the industry can and must grow.

In an interview in his Zürich office, Mr. Brechbühl said people's everyday uncertainty about life "is somewhat more than in the past," and it leads them to take out insurance policies.

People seek new methods of protection, for themselves and for their families, because of modern-day hectic life, he said.

One goal they have is preparing for their old age, so they buy insurance policies that will provide them a retirement income to supplement the state pension, he said.

Swiss insurance is an international business, and has been for years. Transportation companies have long insured the commerce financed by Swiss banks, and Swiss money was instrumental in rebuilding Europe after World War II. In Frankfurt, for example, several office blocks were built by Swiss insurance companies, including the building housing the U.S. trade center.

They also sell insurance in other countries. Mr. Brechbühl said, for example, that VITA's largest growth last year was in Germany.

The Swiss companies take a somewhat different approach to investment than their American counterparts.

In Switzerland, 21 percent of their money is in real estate, which American companies are not so heavily involved in, but American companies invest more in bonds and other securities.

The Swiss life companies' largest investment, 39.5 percent, or almost 7 billion Swiss francs, was in mortgages at the end of 1970, the latest date for which figures are available.

In automobile insurance the figures are less rosy than in life insurance.

Swiss Credit Bank said the automobile insurers' premium income rose sharply in 1971 (although final figures are not yet available), but it was not enough to offset the poor results of 1970, when they had to wrestle with reduced premiums and higher claims at the same time.

The rising cost of auto repairs still put pressure on the companies, and a requested premium increase for autos and motorcycles is being appealed to the government after the Federal Insurance Department granted its permission.

In fire insurance, the companies had to cope with an unusually high number of damage claims, most of which will be passed on to the reinsurance companies.

More attention is being paid in Switzerland to fire prevention, and the cantons are being urged to update their fire regulations, as Swiss Credit Bank said, "to take advantage of modern construction materials and the latest fire prevention techniques."

Theft insurance had a second bad year in 1971, and responded by raising premiums and insisting on tighter security methods.

A Swiss Turntable

(Continued from Page 7)

ment opportunities are limited. This is where Switzerland's function as an international financial turntable is most evident. Finding ways to use these funds to make more money has taxed the ingenuity of the country's financial institutions.

Switzerland acts as intermediary for portfolio capital, international money transactions and also for direct investment funds. This intermediary role increased during the 1960s with the growth of the Eurocurrency markets, in which the Swiss banks played a leading role. Since Switzerland has no domestic money market, the Euromoney market has fulfilled this function in recent years.

It has been estimated that 15 to 20 percent of the total $50 to $60 billion Eurodollar market is provided by Swiss banks. Their clients also buy most of the Eurobond issues floated by governments and large, multinational companies. In 1968, about half of the $3.5 billion of Eurobonds sold were purchased by Swiss banks for their customers, according to one source.

One of the most important (and most sensitive) operations on the Swiss financial scene is the foreign exchange activities carried on there by Swiss and foreign banks. Major world currencies have shaken in their parities when "the gnomes of Zurich" expressed pessimism over their future and acted on it on the exchange floor.

Foreign companies have long been aware of the efficient, well-developed Swiss bond market, with an annual volume around $700 to $800 million. Access to the market is controlled by the Swiss National Bank and the average waiting period is two years. During the time lag, increasing numbers of non-Swiss companies take the opportunity to get loans from the Swiss banks.

In addition, many foreign companies direct their overseas operations through Swiss-based holding companies, of which there are more than 6,000. Many of these are used principally to channel funds from the parent company to its foreign subsidiaries overseas.

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

PARIS, TUESDAY, FEBRUARY 22, 1972

Bank Experts Dismiss Euroslump as a Myth

By H. Erich Heinemann

FRANKFURT (NYT).—Diether H. Hoffmann, a member of the board of management of the Bank für Gemeinwirtschaft, is not worried about unemployment.

His bank, the keystone of a business group with considerably more than $5 billion in assets, is owned by the German trade unions, and thus its management presumably should reflect their viewpoint, at least in general terms.

But despite the evident economic slowdown in Germany this year, Mr. Hoffmann, in an interview here the other day, argued that control of inflation should have relative priority in government policy now. He added that whether Chancellor Willy Brandt's Social Democrats stayed in power in the general elections due in late 1973 would depend largely on their ability to reduce the rate of inflation to less than 4 percent.

Business Demand a Worry

To be sure, Mr. Hoffmann is concerned that there could be a shortfall in the demand for capital goods this year, and he wants increased government spending to offset the decline in new orders that has showed up in the last few months.

But, assuming this is done, he is convinced that joblessness will not be an important political issue.

Informed analysts here doubt that the number of foreign workers—more than 2 million—will decline substantially this year, and in the meantime there are still twice as many job vacancies as there are unemployed.

Conversations on a tour of European financial centers in the last few weeks disclosed a fairly general tone of optimism about the business outlook here, and a widespread disbelief that the 1972 slowdown would come anywhere near the scale of a "recession."

One banker, who was perhaps overstating the matter, went so far as to describe the 1972 "European recession" as a "myth, invented by the newspapers."

Implication for U.S.

For the United States, a strong European economy in 1972 could imply new problems on the balance-of-payments front. Even now, with German business, especially, stalled in midwinter doldrums and the expected pickup in the economy still around the corner, short-term interest rates in the United States are well below those in Europe—a major factor in stalling the reflow of international capital back to the dollar and a major force in keeping the dollar under pressure on international exchange markets.

Should the expectation of a relatively good business year in Europe be realized, this could put upward pressure on money costs on this side of the Atlantic and prevent a closing of the rate gap—even if the Federal Reserve System pursued a somewhat more restrictive policy.

Consider these views of the European economic outlook:

● The government and the Austrian National Bank have just announced a package of measures designed to sop up excess liquidity in the economy, scale back government efforts to stimulate business and limit borrowing for new expansion. The trade unions are being asked—in conversations still going on—to moderate their wage demands.

● Officials at the Swiss National Bank state flatly that "we cannot speak of recession." The main problem in the Swiss economy, they state, is the scarcity of labor, so that "there is no real risk of unemployment." While the domestic demand for goods and services, they say, is likely to remain high, there was hope that a somewhat slower business pace elsewhere in Europe would lead to a "normalization" of the presently excessive demand for Swiss exports.

● In Frankfurt, Herbert Wolf, economist for the Commerzbank, said simply that the expected recession "will not take place." Mr. Wolf is prominent among those

(Continued on Page 17, Col. 3)

Yen Exchange Rule May Be Liberalized

TOKYO, Feb. 21 (AP-DJ).—The Bank of Japan and Finance Ministry are expected to announce soon that Japanese companies and individuals who earn foreign exchange abroad may hold such funds in Japanese banks for an indefinite period, rather than converting them into yen within one month as now required, informed sources said today.

The measure is regarded as an important step in Japan's gradual program of foreign exchange liberalization. A central principle of the present system, set up at a time when Japan's balance of payments was precarious, is that all foreign exchange earnings belong exclusively to the state.

Such an announcement would follow closely last week's decision by the central bank and Finance Ministry to permit Japanese to remit as much as $1,000 abroad in any one transaction. The previous transaction limit was the equivalent of $100. There are no restrictions on the number of transactions of this kind an individual may make over any particular period.

The expected change would benefit the government, which is seeking ways to slow the growth of its official reserves. Some officials fear that if the reserves continue to grow at the current rate, pressure for another revaluation of the yen could mount.

Foreign currency held in private bank accounts by Japanese companies and individuals would not count as part of the country's official reserves.

Industrial Sales Rise 6 Percent in Germany

WIESBADEN, West Germany, Feb. 21 (AP-DJ).—West German industrial sales totaled 563 billion deutsche marks in 1971, up 6 percent from 528.9 billion DM in 1970, the federal statistics office reported today.

The 1971 figure included exports of 110 billion DM, up 8 percent from 1970.

In December, industry sales totaled 49 billion DM, unchanged from November but up from 48 billion DM a year earlier.

Foods and beverages posted the largest rise—27 percent—in 1971 exports. Consumer goods exports gained 7 percent.

FINANCIAL NEWS AND NOTES

Consortium Plans Alumina Project

Sumitomo Chemical reports that an international consortium of six companies plans to invest about 132 billion yen ($428 million) on a project to mine bauxite and produce alumina in the Kimberley area of Western Australia. The six companies are Sumitomo Chemical, Showa Denko, Marubeni, Sumitomo Shoji Kaisha, American Metal Climax and Holland Aluminum. Approval of the Japanese companies' plan to contribute 35.2 billion yen to the cost of the project is expected from the government around June this year, Sumitomo says. The consortium plans to build an alumina plant by early 1975 with an initial output of one million tons a year, which will be shared among the partners according to the scale of their investment, Sumitomo adds. It notes that Amax owns the bauxite mining rights in the Kimberley district of reserves estimated at about 200 million tons.

Ford Control of Richier Approved

Ford has obtained French government permission to acquire control of Richier, a major producer of highway building equipment, the Finance Ministry has announced. Permission was given after the failure of efforts to find French financial backing for the firm. As a result, Ford has acquired 51.46 percent of Richier's outstanding stock at an estimated price of 66 francs per share and has obtained a solid base in Europe for expansion of sales of heavy-duty equipment. Richier has eight plants in France employing 5,000 persons.

U.K. Food Group Acquires Chain

Cavenham, a British foods group, has declared its £30-million takeover offer for Allied Suppliers unconditional and announced that it has 87.7 percent of Allied's equity. Cavenham has also won 90 percent of the voting rights of Allied, a retailing and wholesale company with 1,700 stores throughout Britain and extensive overseas tea plantation interests. Cavenham is to issue new shares, which have been granted a quotation, to Allied shareholders who accepted its offer.

U.K., German Insurance Accord

Royal Insurance, of Britain, says agreement has been reached for its acquisition of 10 percent of the equity capital of Aachener und Munchener Versicherung, a major West German insurance company. Royal Insurance will purchase 10 percent of the German company with 647,300 of its ordinary stock units worth about £2.7 million. The companies have also reached trading agreements whereby each will be able to use the other's facilities to write insurance in West Germany and Britain. The agreement is subject to government consent and to the approval of a share increase by Aachener und Munchener holders.

Soviet Union Plans 'Stretched' Tu-154

The Soviet Union announces it is building a new "stretched" version of its Tu-154 tri-jet airliner. Dmitry Markov, the Tu-154's chief designer, says the fuselage of the present model will be lengthened with midsection inserts, increasing the craft's payload to 230-340 passengers from 164. The plane made its first scheduled commercial flight, a 500-mile domestic run, two weeks ago. The present model has a cruising speed of 600 miles per hour and a range of 3,500 miles.

Japanese Suspend Uranium Venture

Japan's nine major electric power companies decided to suspend their current joint development of uranium resources in Canada and the United States with Denison Mines, of Canada, Tokyo Electric Power reports. Officials say the Japanese firms made the decision because Denison wanted to call off the project to avoid "investment risks." Prospecting began in August 1968, under a six-year contract.

Polygram Eyes MGM Interest

Philips says that the Polygram Group, which it owns jointly with Siemens, is negotiating with Metro-Goldwyn-Mayer for the possible takeover of MGM's record interests. A full statement on the project is expected soon, Philips says.

Through Recycling Process

Central Banks Tied to Dollar's Weakness

By William Ellington

LAUSANNE, Switzerland, Feb. 21 (AP-DJ).—Many central banks added to the dollar's instability last year by allowing their currency reserves to be channeled through the Eurodollar market and back into official reserves in a kind of multiplication process, Union Bank of Switzerland disclosed today in presenting its year-end results.

[Net profit rose 14.9 percent last year, the bank reported, to 142.1 million Swiss francs ($37.7 million), up from 124.5 million Swiss francs in 1970. Total income for the year was 1.7 billion Swiss francs, up 6.3 percent from 1.6 billion Swiss francs the previous year.]

Even central banks from the Group of Ten indirectly contributed to the multiplication of dollars, though some of them at the time were trying to stabilize the dollar through support purchases, Philippe de Weck, a Union Bank director general, and J.M. Clerc, an assistant director general, told separate press conferences. They revealed:

● About 20 central banks, including some from the Group of Ten, accounted for "nearly all" the annual rise in Union Bank's Swiss-franc time deposits by other banks. The deposits rose 4.54 billion francs (about $1.18 billion) to 7.53 billion francs on Dec. 31.

● Much of the funds were placed in Eurodollars and other currencies because Switzerland does not have a broad money market. At year-end, Union Bank's Eurocurrency placements totaled 8 billion francs with an additional 3.8 billion francs placed on a fiduciary basis for clients investing directly.

● To discourage speculation, Swiss commercial banks stopped paying interest since last summer on central bank and other nonresident deposits, but central banks continued to increase their Swiss-franc holdings, anyway.

The Union Bank disclosure supports contentions that the $30-billion U.S. deficit on an official settlements basis last year has been overstated because of double counting of reserves.

About a year ago, criticism was leveled at the Bank for International Settlements for placing central bank reserves in the Eurodollar market. At the time, the multiplier effect was estimated at nearly $7 billion. Because of this, the Group-of-Ten central banks agreed not to put their reserves directly in the Eurodollar market.

In a recent speech, Guido Carli, governor of Banca d'Italia, admitted that outside central banks were still using the Eurodollar market extensively. But the Union Bank disclosure was the first hint that the Group of Ten central banks might also be indirectly contributing to the process.

One Dollar—

LONDON (AP-DJ).—The late or closing interbank rates for the dollar on the major international exchanges: Feb. 21, '72

	Today	Previous
Ster. (£ per $)	2.6056-56	2.6065-70
Belgian franc	42.70-73	42.75-80
Deutsche mark	3.1725-35	3.1700-10
Danish krone	6.9775-95	6.9750-70
Free Fr. Fr.	5.0720-45	5.075
Guilder	3.1720-42	3.1715-25
Israeli pound	4.20	4.20
Lira	582.80-583	585.85-586.25
Peseta	65.91-.916	65.89-.90
Schilling	23.10-13	23.04-.06
Sw. krona	4.7797-7807	4.7750-60
Swiss franc	3.8500-20	3.8480-85
Yen	302.97	303.24

Real Estate Costs Burden Hong Kong's Economy

HONG KONG, Feb. 21 (NYT).—Where was the highest payment ever made anywhere in the world for a square foot of land?

Not in midtown Manhattan, central London or downtown Sydney. But in Hong Kong.

The outlay was U.S. $811. And for 53,000 of such high-priced square feet on the Hong Kong island waterfront a total of $43 million was paid out.

The figure illustrates the land shortage and high rentals that are burdening business and driving up the prices of everything in this tight, overcrowded British territory.

The $811 has not been equaled since Hong Kong Land Investment & Agency Co. paid out that amount in 1970 for a site on which a 52-story office building is under construction.

The Hong Kong Land building will be the highest in Hong Kong, demonstrating that, given such high-priced land, the only way Hong Kong can cope with its congestion is to go up, and that it is going to become possibly the most skyscraper-studded city in the world.

But even the savings afforded by high-rise buildings are failing to keep rents at economical levels, and they are adding a massive amount to the cost of doing business here.

It is a constant complaint of manufacturers here that high land costs and rents for factory buildings are a major difficulty in their efforts to remain competitive in world markets.

One big cause of the squeeze on space is the influx of U.S. regional offices and families fleeing the even higher rents, smog and crowding of Tokyo.

More and more European concerns are also locating here. The result seems likely to be creation of the same conditions they have been trying to escape elsewhere.

Regional Mart Battles SEC Membership Rule

PHILADELPHIA, Feb. 21 (NYT).—A historic financial battle is shaping up here at the Philadelphia-Baltimore - Washington Stock Exchange, and there is little doubt that its outcome will have an impact on the future structure of the securities industry and therefore on millions of investors.

It all has to do with who should be allowed to buy seats on stock exchanges and what kind of business they should be permitted to do. The Philadelphia exchange has taken a rebellious stance that has caused a commotion in Wall Street and Washington in recent weeks.

In the opening round of what may be a struggle for survival, the P-B-W has come out in opposition to the Securities & Exchange Commission, the New York Stock Exchange and many of the powerful and influential figures who call the shots in the securities industry.

Bar to Bigness

The P-B-W believes, in effect, that any financially sound broker-dealer in securities should be permitted to belong to the exchange. The SEC and the Big Board disagreed. They think that mutual funds, insurance companies and other big institutional investors should be barred from funneling brokerage business for their huge investment portfolios through their own brokerage subsidiaries.

The Philadelphia exchange, however, has welcomed such business with open arms. Brokerage affiliates of no fewer than 46 institutions, mostly insurance companies and mutual funds, now own seats on the P-B-W. These 46 firms have been accounting for at least half the total volume of stock trading on the exchange.

Why? Because most of them were established as vehicles to avoid the system of fixed commission charges levied by members of the Big Board. Why pay a non-affiliated brokerage firm a sales commission to have stocks bought and sold, they reason, when you can recapture that sales charge by channeling your buying and selling through your own brokerage subsidiary?

Inflated Importance

As a result, this small exchange's importance has grown far out of proportion to the amount of business it does. In a good month, the P-B-W will trade more than 13 million shares, as it did in January.

The Big Board often trades that much in several hours, but it fears that, if the trend continues, more and more trading will be shifted to places like Philadelphia. This, it contends, will so fragment the market that the realistic pricing of securities, reflecting the full forces of supply and demand, will be impaired.

The NYSE also argues that the brokerage business probably will become dominated by huge financial institutions if they continue to join exchanges, that this will put even more economic power at the disposal of already powerful enterprises, and that, ultimately, small investors will have no chance trading against the institutional giants.

It is also suggested that institutions with brokerage affiliates would increase their trading, because of their ability to avoid commission costs, and therefore dominate the market even more.

Finally, it is said that the smaller, independent brokerage firms will eventually be driven out of business or taken over by the institutional giants and that this will reduce the number of firms available to serve public investors and produce an oligopoly in the securities industry.

In the Public Interest

In direct opposition to the SEC, the P-B-W believes that institutional membership is in the public interest. And its president, Elkins Wetherill, is doubtful that the federal agency has the power to force the regional boards to comply with its directive.

"The courts have told us that money managers have the fiduciary obligation to reduce their costs. What better way is there for them to meet that obligation than by establishing their own broker-dealers?" he asks.

Mutual Fund Redemptions Exceed Sales

WASHINGTON, Feb. 21 (NYT).—Redemptions of mutual fund shares exceeded sales in January on a seasonally adjusted basis, though not on an actual cash basis, the Investment Company Institute reported this weekend.

On the cash basis, sales totaled $521.3 million and redemptions totaled $475.8 million. Thus, in terms of actual dollars, the industry received a net inflow of funds.

On the seasonally adjusted basis, which economists use to clarify underlying trends by eliminating normal seasonal fluctuations, sales totaled $424.2 million, and redemptions totaled $439.8 million. Thus, by this measure, the industry had net redemptions of $15.6 million.

The Investment Company Institute made available all of the figures, including the ones showing the net redemptions on a seasonally adjusted basis. The press release accompanying its figures nowhere mentioned the seasonally adjusted figures, however, although these figures have often been mentioned in the recent past.

The institute chose, instead, to emphasize a rise in the assets of the 391 funds covered by the institute's survey that occurred in January.

The increase brought the industry's assets to a record total of $56.7 billion.

U.S. Savings Rate Of 8.2% Reported Highest Since '46

WASHINGTON, Feb. 21 (AP).—Americans last year saved their money at the highest rate since 1946, reflecting a lack of confidence in the U.S. economy, the Commerce Department said this weekend.

It said that Americans saved 8.2 percent of their take-home pay, the highest since the 9.5 percent recorded in 1946.

The savings rate in the last three months of the year came down to 7.8 percent, but economists still regard this as a high figure historically.

The savings rate is one of the key indicators of consumer confidence. But economists do not know how to measure its causes, since intangible factors such as fear of inflation, loss of job and national and international factors are involved.

A savings rate of about 6 percent of disposable personal income is regarded as about normal.

Profit Jumps 40.9% At Trust Houses Forte

LONDON, Feb. 21 (Reuters).—Trust Houses Forte Ltd. said group net profit rose 40.9 percent in the year ended Oct. 31.

Profit was £8.75 million, or 1.95 pence a share, up from £6.21 million, or 7.91 pence, in the previous year.

The group declared a total dividend of 30 percent, up from 20 percent in 1970.

Oxy Posts '71 Net Loss of $67 Million

Suspends Cash Payout On Common Stock

By Clare M. Reckert

NEW YORK, Feb. 21 (NYT).—Occidental Petroleum Corp. reported over the weekend that its net loss in 1971 totaled $67 million and that cash dividends on the common stock will be temporarily suspended. In 1970, the company had a net profit of $175 million, or $3.92 a share.

Last year's loss is after a charge of $88 million for the emergency tanker fleet. The charge, which included a reserve of $55 million for possible future losses, resulted in an operating loss of $43 million before extraordinary charges totaling $19 million.

Operating profit before tanker and extraordinary charges was $40 million, according to the report.

The emergency tanker fleet was created in late 1970 and early 1971 to provide additional capacity against a possible shutdown of production in Libya.

While some losses from fleet operation were incurred by the end of the 1971 third quarter, the company said it anticipated that the worldwide tanker market would improve in the 1971-72 winter season.

Tanker rates had improved temporarily, but a warm winter in Western Europe and an economic slowdown led to an oversupply of petroleum products with distress prices in heating and fuel oil, the report said.

Results last year were also adversely affected by an industry-wide strike that shut down the company's coal operations for almost seven weeks in the fourth quarter, with an estimated impact on profit of $11 million.

Depressed petroleum prices in Europe in the second half of the year, lower Libyan production and poor results from domestic chemical operations were also cited.

Allied Chemical

Fourth Quarter	1971	1970
Revenue (millions)	$331.33	320.68
Profits (millions)	13.57	13.75
Per Share	0.50	0.68
Year		
Revenue (millions)	1,325.89	1,248.48
Profits (millions)	55.26	63.35
Per Share	2.01	2.47

To Our Readers

All U.S. financial and commodities markets and banks were closed Monday, Feb. 21, in observance of the Washington's Birthday holiday.

Air Business on North Atlantic a 'Wild, Competitive Jungle'

'Illegal Charter Flights Flourishing . . . Scheduled Lines' Illegal Discounts Rampant'

By Robert Lindsey

NEW YORK, Feb. 21 (NYT).—The North Atlantic air corridor between the United States and Europe—the world's richest, most heavily traveled long-haul international air route—has become what travel experts say is a wild, cutthroat and increasingly dishonest competitive jungle.

On one hand, in a bewildering battle among international airlines to fill their jets, illegal charter flights are flourishing, despite increased government efforts to halt them.

On another, regularly scheduled airlines are increasingly giving illegal under-the-counter kickbacks to arm-twisting travel agents in the theory that a little income is better than none at all. The agents and tour operators rarely—if ever—pass on the rebate to their customers.

The probelm is rooted in a vast over-supply of airline jet seating capacity, and governments on both sides of the Atlantic are groping for ways to bring the situation under control.

European civil aviation ministers are scheduled to begin a three-day meeting in Paris Wednesday to develop a joint plan, if they can, to deal with the problem. Among other things, they will consider a proposal by scheduled transatlantic airlines to set international controls on the availability of low-cost charter flights.

They will also consider a proposal with an opposite objective—a plan by the U.S. Civil Aeronautics Board (CAB) to liberalize its present widely ignored charter-flight eligibility rules so that millions of additional Americans could take advantage of the charter bargains legally.

Competition among airlines that fly the North Atlantic has been growing increasingly intense for the last three years. Last summer, it erupted into the "youth-fare war," and last fall scheduled airlines narrowly averted an anything-goes price war that would have ruptured their 26-year agreement to charge identical rates, but they did no more than apply a Band-Aid to the problem without dealing with the underlying causes of overcapacity.

This year, spurred by a growing world surplus of jets that is bringing more and more European nonscheduled airlines into the battle, the arrival of more high-capacity jumbo jets, and the decline in Vietnam military airlift contracts from the Pentagon, the competition is hotter than ever.

CAB investigators are looking into illegal discounting, which one airline source said last week had become "rampant, a way of life," in the North Atlantic market.

"A travel agent who's a good producer," an executive of a major airline said, "can place his business with any one of 20 or 30 carriers. So he comes to you and asks for a kickback if he buys 40 to 50 seats. If you don't give it to him, you know somebody will."

Industry sources said the rebates often passed between airline employees and travel agents as cash. Other times, airlines are more discreet and pay for hotels, tours, sales literature, or other items for an agent in a package travel deal.

One source said the going rate recently for a round-trip New York-London 17-to-28 day excursion ticket was running between $130 and $200, compared with the "legal" fare of $322 charged to the traveler. The agent pockets the difference.

The International Air Transport Association has a team of investigators who are supposed to check periodically on members of the association, and some are caught. Last fall, CSA, the Czech airline, was accused by the association of systematically selling New York-to-Amsterdam economy-class tickets for as low as $219, or 32 percent under the established fare of $466. The Czech airline was heavily fined, but association officials concede that they probably catch only a small percentage of the violators.

Forty-six airlines are vying on the North Atlantic for the current business, which is enough to satisfy perhaps 30, and seven more have indicated they want to fly the route. Last year, the 46 airlines flew an average of more than 14,000 empty seats over the Atlantic daily.

Despite the glut of competition, a handful of airlines still manage to make money. Others continue to hope that things will improve, or they persist for national prestige.

For people who travel, the competition has resulted in some of the lowest per-mile flight rates in the world, and indirectly it has helped keep fares down on routes in other parts of the world. But it has also led to a bewildering maze of rates that has left many travelers in a quandary over how to find the cheapest fares.

In its simplest terms, the competition involves two groups of airlines—on the one hand, 23 airlines from 21 nations that cross the Atlantic on a regular

(Continued on Page 17, Col. 6)

European Gold Markets

Feb. 21, 1972

	Op.	Cl.	N.C.
London	48.40	48.65	+ 0.25
Zurich	48.50	48.65	+ 0.28
Paris (12.5 kilo)	48.76	48.76	+ 0.12

U.S. dollars per ounce.

Eurodollars

Feb. 21, 1972

	Bid.	Asked	Change Bid.
7 Day Fix	5 1/2	5 5/8	+ 2
One Month	4 1/2	4 5/8	Unch.
3 Months	6	6 1/8	Unch.
One Year	6	6 1/2	— 3/8

INTERNATIONAL FUNDS

ADVERTISEMENT

Feb. 21, '72

The next asset value quotations shown below are supplied by the Funds listed. The International Herald Tribune cannot accept responsibility for them. Following marginal symbols indicate frequency of quotations supplied to the IHT. (d)—daily; (w)—weekly; (r)—regular; (l)—irregularly.

Fund	Price
(d) A.I.L. Growth Fund	SF33.75
(w) Alexander Fund	$10.08
(d) Am. Express Int'l Fd.	$10.49
(w) Amitalia Fund	$8.51
(w) Andreae Equity	Can.$4.84
(w) Apollo(Tempus) iss.pr.	SF121.36
(l) Apollo Fund S.A.	$15.35
(w) Aries Fund N.V.	$40.09
(w) Asca Corporation	DM18.35
(l) Atlantic Exempt Fd.	Pence 87.1
(w) Atl. Flexible Trust	$11.41
(w) Austral. Trust S.A.	$8.58
(w) Austrl'n Selection Fd.	$6.85
BARCLAYTRUST FRONTIER:	
— (w) BtF Growth Fund	$7.91
— (w) BtF Trust S.A.	$11.85
— (w) BtF Income Fund	$10.77
(w) Browninvest	$23.54
(w) Buttress Int'l Doll. Fd.	$0.82+
(l) Cal. Land & Constr.	$15.55
(d) Can Gas & Energy Fd.	Can.$14.10
(d) Can Secur Growth Fd.	Can.$6.27
CAPITAL INTERNATIONAL S.A.	
— (w) Capital Int'l	$13.07
— (w) Capital Italia S.A.	$9.80
(d) Caribico N.V. "C" Sh.	$108.90
(d) Chesapeake Fund	$14.06
(l) Cleveland Offshore Fd.	$1,133.76
(w) Convert.Fd.Int.A Certs.	$10.65
(w) Convert.Fd.Int.B Certs.	$12.21
(d) Convert. Bond Fd N.V.	$8.73
(d) Corvus Invest. Units	$3.60
CREDIT SUISSE:	
— (d) C.S. Fonds-Bonds	SF104.50
— (d) C.S. Fonds-Int'l.	SF103.75
CREDIT SUISSE: SWISS BANK CORP.:	
— (d) Europa-Valor	SF161.50
— (d) Intervalor	SF103.75
— (d) Swissvalor New Ser.	SF261.25
(l) Crosby Fund S.A.	$8.47
(w) D.G.C.	$09.26
(d) Delta Invest. Fund	$9.85
(d) Delta Multifund	$9.79
(d) Daiwa Int'l Fund	Yen 10,548
(w) Dreyfus Intercst.Inv.Fd	$12.61
(d) Dreyfus Offshore Trust	$12.00
(w) Equitalia S.A.	$8.66
(d) Eurunion	$41.03
FIDELITY:	
— (w) Fidelity Int'l Fund	$17.11
— (w) Fidelity Pacific Fd	$14.72
(d) Fiducem	BF1,239
(d) Finance Union	$11.62
(w) First/Fund	$12.20
FIRST INVESTORS:	
— (w) American Trust	$10.20
— (w) Int'l Min. & Petr. Fd	$9.02
— (l) Austl.Ld.& Prop.Fd.	Bah.$10.36
(d) First Nt'l City Fund	$29.09
(w) First Security Cap. Fd.	$114.77
(w) Fleming Fund S.A.	$89.74
(w) Fleming Japan Fund	$16.00
(w) Fleschner Becker Eh.	$8.64
(d) Fonditalia	$10.59
(w) Fonselex Issue Pr.	SF3,659
(d) Formula Selection Fd.	SF138.35
FUND OF AUSTRALIAN GROUP:	
— (w) Fd of Austral (US)	$2.97
— (w) Fd Austral. Sterling	Aus.$3.88
— (w) Prop Bonds Aust.	Aus.$1.04
— (w) Real Estate Fund	Aus.$7.25
(d) Fund of Nations	$10.99
G.T. (BERMUDA) LIMITED:	
— (w) Berry Pac. Fd. Ltd.	$18.50
— (w) G.T. Dollar Fund	$13.46
(r) Growth International	$9.29
(w) GuardianGrwthFdInt'l	$7.82
(w) Hambro Overseas Fd.	$7.00
(w) Hausmann Holdgs. NV	$5.198
(w) Hedge Investors	$14.854
(l) H O L T Hobet	$26.61
(d) ICOFUND	$8.96
(w) INGROW	$22.53
INVESTMENT PARTNERS:	
— (d) Am Dynamics Fd	$0.42
— (d) Neckermann Fund	DM21.25
— (d) Nippon Dynams. Fd.	$11.82
I.O.S. FUNDS:	
— (d) Commonw Int.Corp.	Can.$14.77
— (d) Commonw Leverage	Can.$3.78
— (d) Commonw.Int.Vent.	Can.$7.09
— (d) Fund of Funds	$9.10
— (d) FOF Sterling	£2.22
— (d) I.I.T.	$7.40
— (d) Investors Fonds	DM18.10
— (d) IOS Growth Fund	$8.79
— (d) Regent Growth Fd.	$9.56
— (d) Regent Venture	Can.$4.54
— (d) IOS Venture (Int'l)	$8.31
— (d) Australian FOF	Aus.$8.36
(d) Interfix	$121.60
(d) Interfund S.A.	$10.34
(d) Interitalia	Lire 6,689
(w) Intermarket Fund	$130.23
(w) Int'l Income Fund	$940.34
(r) Internat'l Shipping Fd.	DM1,258.98
(d) Italamerica S.A. Fund	$9.68
(r) Japan Growth Fund	$10.98
(w) Japan Pacific Fund	$12.21
(d) Japan Selection Fund	$42.48
(l) Jardine Japan Fund	$28.81
(d) KB Income Fund	LF1,868
(w) Keyes Real Estate Fd.	$5.92
(w) Keyfund	$10.58
(w) KleinwortBensonIntFd	$12.64
(w) KleinwortBens.Jap.Fd.	$14.14
(l) Leverage Cap. Holdings	$20.18
(w) Luxfund	$21.47
(d) M.&G. Island Fund	Pence 100.8
(d) Mediolanum Sel Fund	$10.45
(d) Neuwirth Int'l Fund	$7.00
(d) Neuwirth Inv. Fund	$11.17
(l) N.A.M.F.	$97.88
(w) Nippon Fund	$23.13
(d) Nomura-A.J.I.F.	Yen 10,800
(w) Nor. Amer. Inv. Fund	$8.69
(w) Nor. Amer. Bank Fd.	$23.55
(r) Olympic Cap. Fd. Inc.	$2.48
(l) Opportunity Fd. Int.	$11.93
(w) Pacific Inv. Fund	$5.00
(w) Pacific Seaboard Fund	$26.32
(d) Pan Am REEF Fund	$14.86
(r) Pegasus Intern'l	$10.90
(w) Pyramid (CMC)	SF75.28
(d) Renta Fund	LF2,312
(w) Roosevelt Fund	$8.67
SAFE GROUP:	
— (d) Safe Fund	$12.08
— (d) Safe Trust Fund	$14.42
— (d) Global Fund	$8.00
(w) Samurai Portfolio	SF66.20
(d) Selective Am. R'lty Fd.	$11.12
(d) Selective Capital Fund	$8.41
SEPRO:	
— (w) Sepro (N.A.V.)	$10.94
— (w) Sepro (Issue Pr.)	$11.96
SHARE GROUP:	
— (d) Share Int'l Fund	$9.65
— (d) Share Realty	$11.94
— (w) Shareholders Excel.	$9.53
— (d) Enterprise Fund	$7.42
— (d) Harbor Fund	$9.03
S.M.C. FUNDS:	
— (d) Chase SelectionFd.	$11.37
— (d) Crossbow Fund	SF7.67
— (d) Int'l Technology Fd.	$13.06
— (d) Invest Selection Fd.	$3.34
SOFID GROUPE GENEVA:	
— (r) Parfon Sw. R. Est.	SF1,372+
— (r) Securswiss	SF1,027
(d) Sogelux Capital Fund	LF682
(l) So. African Int'l Fund	Bah.$.8063
(w) Stanhope Transat Fd.	$12.88
(w) Stand & Poor Int. Fd	$289.60
(w) Star Fund	$9.12
(r) Suez Int'l Ventures Inc.	$15.02
SWISS BANK CORP.:	
— (d) Univ. Bond Select	SF112.50
— (d) Universal Fund	SF120.69
(r) Talent Global Fund	$12.61
(l) Target Offshore	Pence 74
(l) The Commodity Fund	$6.05
(w) Tokyo Cap.HoldingsNV	$20.05
(w) Tokyo Valor	$14.45
(w) Transpacific Fund	$12.11
(l) Tyndall Bermuda Fund	Pence 92.8
(l) Tyndall Inter. Fund	Pence 102.5
(l) Tyndall Overseas Fd.	$1.45
UNION BANK SWITZ:	
— (d) Amca U.S. sh.	SF69.50
— (d) Bond Invest	SF103.00
— (d) Eurit Eu. Sh. Bid	SF163.00
— (d) Fonsa Sw sh. Bid	SF113.00
— (d) Globinvest ... Bid	SF90.00
— (d) Pacific-Invest. Bid	SF102.50
— (d) Safit S. Af. sh. Bid	SF220.00
— (d) Sima Sw.R.Est Bid	SF231.00
UNION-INVESTMENT, Frankfurt:	
— (d) Atlanticfonds	DM27.48
— (d) Europafonds	DM44.07
— (d) Unifonds	DM24.66
— (d) Unirenta	DM45.25
(w) United Cap. Inv. Fd.	$4.82
(d) U.S. Trust Invest. Fd.	$14.82
(d) Victory Fund S.A.	$10.68
(w) Western Growth Fd.	$8.31
(w) Western Hedge Fund	$2.294
(w) West. Proprietary N.V.	$2.571
(d) World Equity Grth Fd.	$516.61
(w) Worldwide Securities	$44.23
(w) Worldwide Special	$3.487
(w) Zodiac Commod Fund	$8.71
(w) Zodiac Fund	$7.42

DM — Deutsche Mark; * — Ex-dividend; + — New; NA — Not available; BF — Belgian francs; LF — Luxemburg francs; SF — Swiss francs; + — Offer price; a — Asked.

Toronto Stocks

Closing prices on Feb. 21, 1972

Sales	Stock	High	Low	Last	Ch'ge
	INDUSTRIALS				
19171	Abitibi	8¾	8½	8⅝	— ⅛
755	Acklands	9	8⅝	8⅞	— ⅛
5833	Agra Ind	11¾	11½	11¾	+ ½
628	Alta G A	54¼	54¼	54¼	+ ⅜
60	Alta NG	22½	22	22½	
520	Algom Ry	9	9	9	
1700	Argus pf C	11	10¾	10¾	— ¼
4850	Atl Sug	7⅛	7	7⅛	+ ⅛
3924	Bk Nova S	36¾	36½	36¾	+ ½
4567	Bell Can	46⅞	46⅛	46½	— ½
4200	Block Bros	3.60	2.40	3.40	—.10
13903	Bovis	2.12	2.10	2.10	
4030	B P Can	13⅞	13¾	13⅞	+ ⅛
1860	Burns	14¾	14½	14½	— ⅜
242	Calg Pow	27	26⅞	26⅞	— ⅛
10	Can Malt	29⅞	29⅞	29⅞	
1700	Can Pack	18¼	17⅞	17⅞	— ⅜
870	Can Perm Mtg	19¼	19⅛	19¼	+ ⅛
12644	Cdn Chie S	18¼	18	18¼	
500	Cdn Hydro	12½	12½	12½	+ ⅛
2840	Cdn Im Bk	29½	29¼	29½	
23934	Cdn Ind Gas	10⅛	10	10	+ ⅛
450	Celan Can	5¼	5⅛	5¼	
1815	Cmwlth H Inns	14½	14⅛	14½	
2920	Con Build	2.35	2.30	2.30	—.05
7232	Consum Gas	19¾	19½	19½	— ¼
10290	Crush Int	20⅞	20¾	20⅞	+ ⅛
2420	Cygnus A	6½	6¼	6⅜	+ ⅛
60	Cygnus B	6¼	6¼	6¼	
8199	Dom Fdrs	27½	27¼	27½	
2596	Dom Stores	15⅞	15⅝	15⅞	
1565	duPont Can	26⅜	26	26¼	+ ¼
320	Dylx Div A	13⅛	12	13⅛	+ ⅜
50	Emco	7¼	7¼	7¼	
2330	Falcon	82	80½	81	+ 3¼
17500	Fed Grain	8⅞	8½	8¾	+ ⅛
118	Fraser	14⅛	14⅛	14⅛	
250	Gen Dist Can	22¼	22½	22¼	— ⅜
200	Gt L Pap	17⅞	17⅝	17⅞	+ ⅜
699	Gt W Life	56	55	56	+1
2062	Greyhd Can	18½	18⅜	18⅜	+ ⅛
2129	Guar Trust	14¾	14½	14¾	
2615	Gulf Can	26⅞	26½	26⅞	+ ⅜
662	Hawk Sid	2.60	2.50	2.50	—.10
1285	Hudsons Bay	19⅞	19¾	19⅞	+ ⅛
1658	Huron & Erie	30	30	30	
3675	IAC Ltd	21¼	21	21⅛	— ⅛
150	Inglis	14⅛	14⅛	14⅛	+ ⅛
3580	Inlgd Gas	15¾	15⅝	15⅝	
5560	Int P Line	33½	32¾	32⅞	+ ⅛
7825	Inv Grp A	10⅞	10¾	10¾	+ ⅛
2200	Kaiser Rsc	2.95	2.90	2.95	+.05
829	Labatt J	23½	23¼	23¼	— ⅛
4100	Lk Ont Cem	3.85	3.80	3.85	+.05
100	L Secord	10¼	10¼	10¼	+ ¼
550	Loblaw A	6¼	6⅛	6⅛	— ⅛
270	Loblaw B	6¼	6¼	6¼	
200	Loeb	3.70	0.70	0.70	
6612	MacM Bl	27	26⅝	26⅝	
140	Maple Mill	15	15	15	— ¼
200	Metro Strs	10	18	18	
2395	Moore	43⅞	43⅛	43¾	+ ⅛
500	Morse Rob A	12½	12	12	— ⅛
8204	Norand	37½	37	37	
7415	Nor Ctl G	14	13¾	14	+ ¼
620	OSF Ind	6¼	6¼	6¼	
4460	Oshawa A	13⅛	10½	13½	
4200	Pembina A	7¼	7¼	7¼	
210	Petrofina	24⅛	24½	24½	+ ¼
1550	Reed Shaw	9⅝	9½	9⅝	— ⅛
10380	Rothmans	20	18¾	20	+1¼
150	Scotts Rest	16⅞	16⅞	16⅞	
11205	Shell Can A	36¼	35⅞	36¼	+ ½
3780	Simpsn Ltd	25	24⅞	25	
530	SimpSr A	33½	22	33	
755	Slater Stl	11¾	11½	11½	— ¼
2000	StdBrstg Ltd	16	15⅝	15⅝	— ¼
24530	Steel Can	31¼	30½	31	+ ⅜
500	Teledyn Can	5¼	5¼	5¼	+ ⅛
457	Texaco Can	44¼	44	44¼	+ ⅜
0152	TorDm Bk	34⅞	34⅝	34⅞	+ ¼
1867	Trad Grp A	18⅛	17¾	17⅞	— ⅛
2573	Trans Can	40⅞	40¾	40⅞	+ ¼
1095	Trans Mt	24⅝	24½	24⅝	+ ⅛
460	Un CarbCan	16½	16	16⅛	+ ⅛
15785	Un Gas Can	14	13¾	14	
50	Walnoco	6	5¾	5¾	
4720	Weldwood	12	11⅞	11⅞	— ¼
100	Westbn Intl	10⅞	10⅞	10⅞	+ ⅛
70	W Cdn Seed	5⅞	5⅞	5⅞	+ ⅛
890	Wstgh Can	19½	19	19½	— ¼
2570	Weston	18⅞	18	18⅞	+ ⅛
1300	White Pass	11	11	11	
2225	Woodward	29	28½	28½	— ½
	MINES				
100	Amor	2.70	2.70	2.70	+.04
1990	Bath Cop	19.37	18.87	19.37	+.37
500	Bralor	2.75	2.75	2.75	
2100	Brenda	4.80	4.75	4.75	
62156	Brun MS	2.25	2.10	0.10	—.15
2300	Camflo	3.30	3.25	3.30	
700	Can Tung	1.59	1.58	1.59	—.03
715	Cassiar	11.7	19.75	19.75	—.25
9400	Chmalay	2.55	2.50	2.52	+.03
300	Coldstr	2.74	2.74	2.74	—.01
100	C Rambir	1.65	1.65	1.65	—.02
516	Copperf	1.30	1.2	1.2	
502	Denis	27.7	27.42	27.42	—.42
2000	Dickens	1.20	1.23	1.29	—.02
25	East Sull	2.75	2.75	2.75	
22727	Falcn C	12.37	11.75	12.09	
4467	Giant Ysc	4.75	4.65	4.70	—.05
1365	Granduc	4.73	4.71	4.73	+.15
453	Int Mogul	11.12	11.00	11.12	+.12
20	Labrad	37.37	37.37	37.37	
100	La Luz	2.75	2.70	2.75	+.10
300	Liberian	10.00	10.00	10.00	
217	Lt. Lac	2.00	1.0	1.0	—.20
50	Madsen	3.10	3.05	3.10	
665	Mattag	30.25	30.00	30.00	+.12
100	Newcon	5.25	5.25	5.25	—.05
4600	Orchan	4.10	4.05	4.05	
4245	Placer	31.00	30.00	31.00	+1.7
80	Rayrock	1.31	1.31	1.31	
7036	Sherritt	14.25	14.00	14.25	+.12
225	Steep R	2.30	2.26	2.2	—.01
2223	Teck A	5.00	4.5	4.5	—.05
13	Teck B	4.50	4.45	4.50	
1303	Un Siscoe	1.45	1.43	1.45	+.05
75	W Mines	3.10	3.05	3.00	+.01
2300	Yk Bear	4.35	4.25	4.35	+.05
	OIL & GAS				
310	Almnex	5.75	5.70	5.70	—.05
100	A Quasar	6.40	6.20	6.30	—.15
30	B P Oil	5.70	5.60	5.60	—.05
1425	Clark C	4.75	4.65	4.70	—.10
2000	Francan	5.15	5.10	5.15	+.05
30	GtCdn Oil	5.10	5.10	5.10	—.20
6700	Gt Plain	29.50	29.00	29.00	
12204	Houston	2.47	2.35	2.35	—.12
666	Pan Can	15.50	15.37	15.37	
3693	P Ocean	12.25	12.00	12.00	—.12
403	Petrol	1.30	1.28	1.28	—.02
800	Place G	1.10	1.10	1.10	—.01
2237	Siebens	9.15	8.80	9.15	+.20
5040	Spooner	1.08	1.05	1.06	—.01
50	Voyager	4.45	4.45	4.45	

Total sales 2,450,000 shares.

European Markets

(Yesterday's closing prices in local currencies)

Amsterdam

AKZO	75.70
Algemenbank	331
Amrobank	65
A'damRubb.	39.80
Fokker	37.30
Heineken	278
H.V.A.	81.50
Holland-Am.	97.30
Hoogovens	70.40
I.O.S. Ltd.	—
I.P.I.	52.00
K.L.M.	118.50
Philips new	42.30
Robeco	238.5
Rolinco	137
RoyalDutch	123.90
Unilever	132.20
Ver.Machine.	98.50

Brussels

Arbed	3,910
Ast.d.Mines	1,800
Cock-Ougree	1,040
Electrobel	5,840
Lambert	3,930
Petrofina	4,300
Ph.Gevaert	1,600
Soc.Générale	2,480
Solvay	2,465
Un.Minière	1,472

Düsseldorf

AEG	163.30
Aug.Thyssen	76.50
BASF	153.70
Bayer	140
Commerzbk.	234.20
Cont.Gummi	134
Daimler-Benz	361
Demag	182.50
DeutBank	340.80
DresdnBank	281
Gels.Aktien	92.70
Hoechster	166.40
Hoesch	64.90
Karstadt	—
Kaufhof	267
KHD	128.30
Lufthansa	77
Mannesmann	162.20
Metallgesell.	345
Rheinstahl	87.30
RWE new	193.60
Siemens	240
Volkswagen	152.10
Veba	164.50

London

Anglo-AmCp.	2.79
Anglo-Amin.	£18⅝
BarclayBank	7.35
BeechamGr.	2.86
Bowater	1.70
BritAmTob.	3.28
Brit.Oxygen	0.69
Brit.Petrole.	5.64
Brit.LeyM.	0.45¼
Chartered	2.30
Courtaulds	1.40
Chrysler	0.23
Daggafont	0.08
DeBeer Def.	2.31
Decca Rec.	3.18
Distillers	1.73½
Dunlop	1.74
ElMusInd.	2.04
FreeStGed	5.10
GEC	1.78
Glaxo Gr.	4.85
Gt.UnivS.	2.80
Guinness	1.91
Hawker-Sidd.	3.49
Hudson-Bay	9.72
ImpChem	2.78
IOS Mgt new	—
Mar&Spen	2.90
MetalBox	4.05
Nichols	0.55
RandMines	1.26
RankOr	9.60
RoyalDutch	£13⅝
R.T.Z.	2.00
Shell	3.46
Tube Invest.	4.78
Union Corp.	1.84
Vickers	0.38
WarL3½	£41¼
West Deep	3.90
West Drief	8.80
West Hold	8.53
West Min	1.26
Woolworth	1.14½
ZCI	0.43½

Milan

Fiat	2,165
Finsider	293.75
Generali	49,800
Italsider	339
LaRinas	348
Montedis	725
Olivetti	1,530
Pirelli	1,605
SniaVisco	1,283
Terni	110.75

Paris

AirLiquide	348.50
Béghin	140
BNCI	—
Can Pacific	73.70
C.G.E.	373
C.S.F.	82.50
Citroën	78.50
CieBancaire	665
Créd.Comm.	155
Créd.Lyonn.	—
DeBeer's 100.	30.10
EssoStand.	130.80
Fin.Par.BP	222.10
Fr.Pétroles	205.10
GerDan.	357.50
IBM	1,855
ImpOil	157
IntNickCan.	163.80
Mach.Bull	88.50
Michelin	1,364
Mobil	249
Nickel (Le)	110
OmniumPét.	275
PathéMarc.	62
Péchiney	140.40
Peugeot	245
Radio Techn.	210
Rh.Poulenc	160
RioTinto	27.75
RoyalDutch	196.10
St.Gobain	140
Schneider	171.50
Shell	115.80
Simca	63.50
Soc.Générale	24.10
SuezCieFin.	323
Thomson	99.50
Ugine-Kuhl.	158.20
Young3½%	202

Zurich

Alusuisse	N.A.
B.Boveri	1,245
Ciba-Geigy	N.A.
Cr.Suisse	3,990
Fischer	1,255
HoffRoche bl.	N.A.
Nestlé	3,195
Sandoz	N.A.
Sté B.Suisse	3,295
Sulzer	0,300
U.B. Suisse	2,995

Montreal Stocks

Sales	Stock	High	Low	Last	Ch'ge
725	Algoma	15	15	15	+ ⅛
257	Asbestos	22½	27	27	
7188	Bank Mont	22⅝	22⅛	22¼	— ⅛
1600	Bombardier	8	7¾	7¾	— ⅛
1600	Brinco	5¼	5⅛	5⅛	— ⅛
1600	CAE Ind	6⅞	6¾	6⅞	+ ⅛
131	Can Cement	51	50⅞	51	+ ¼
450	Cdn Int Pow	27⅞	27½	27⅞	+ ⅛
1510	Con Bath	9	8⅞	8¾	
401	Crn Zell A	19¾	19¾	19¾	+ ⅛
200	Dom Bridge	26⅜	26⅜	26⅜	+ ⅛
100	Dom Glass	12¼	12¼	12¼	
3206	Dom Text	23½	23½	23½	— ⅛
166	Gaz Metro	6	6	6	— ⅛
101	Molson A	22½	23½	22½	+ ⅛
1500	Mtl Trust	20½	20¼	20½	+ ⅛
3900	Power Cp	7⅞	7¾	7⅞	
3385	Price Co	8	7⅞	7⅞	
2115	Royal Bank	33¾	23	33¾	+ ⅜
164	Steinberg A	25	25	25	— ¼
700	Super Elec	3.90	3.90	3.90	
1329	Velcro Ind	20½	20	20¼	+ ⅜
673	Zellers	16⅜	16¼	16⅜	

Total Sales 626,05 shares.

International Bonds Traded in Europe

Midday Indicated Prices

Dollar Bonds

Aer Lingus 8—86	97½	100½
Aerop Paris 9-85	106	107
Air Lease 9-86	105½	106½
Amax 8¾-86	103¾	104⅝
Am Brands 8-81	102½	103½
Amerlbas 7¾-78	103¼	104¼
Atlas Cop. 9½-85	105	106
Beat Foods 9-85	106	107
Beecham 8¼-86	102	103
Bendix 8-79	102¾	103¾
Borg Warn 8-77	103¾	104¾
Borregaard 8¾-86	101½	102½
Cabot 9½-[illegible]	107	108
C.N.PTT 8-86	102	103
Carlsberg 8¾-86	103	104
Chevron 7-80	97¾	98¾
Chrysler 7-84	92⅝	93⅝
C.Lafarge 8¾-85	103⅝	104⅝
CNA Overs 9-75	104⅛	105⅛
Conoco 8-85	101	102
ContOil 9½-85	107	108
ContOil 7-80	97½	98½
Cont Tele 9-82	106	107
Cont Tel 8¼-86	102	103
Copen City 8-84	102½	104
Copen City 9-85	103½	104½
Copen Tel 9-85	103¼	104¼
Copen Tel 8½-86	101½	102½
Corning 8¼-86	104½	105½
Courtaulds 9-82	104	105
Courtaulds 9¼-85	104¾	105¾
CutlerHam 7½-80	97¾	98¾
Denmark 9¾-85	106½	107½
Dow Cor 8½-86	104½	105½
EIB 8¾-86	104½	105½
El.France 8½-86	103½	104½
Erap 9-82	103½	104½
Ericsson 9¼-85	104¾	105¾
Esso 9-85	107	108
Esso 8-86	102¼	103¼
Esso 7½-76	101¾	102½
FlatMtgBk 8½-86	99¾	100¾
Ford 8-81	102¾	103¾
GDF 9-85	104¼	105¼
Gen Mills 7-80	96¾	97¾
Gen Mills 8-86	101¾	102¾
Gen Mot 8¾-86	106	107
Granges 8½-89	100½	101½
Gr.Metro 9¼-86	104½	105½
Gus 8½-86	103¾	104¾
Hambros 9½-85	105¾	106¾
Hamersley 9½-85	104	105
Hawker Sid 9-75	104	105
Honda 7½-87	97	99
ICI 7½-86	--	90
I.S.E. 9-85	105	106
ISE 8¾-86	102¼	103¼
Ireland 9-85	102	103
Ireland 8¾-89	98	99
Kimberly 8½-86	104½	105½
MassFerg 9-82	102½	103½
Mobil Int 7-86	96¾	97¾
Monsanto 8¾-85	105¼	106¼
Montagu fr 9¼-85	104¾	105¾
N.Brunsw 8¾-79	103½	105
Newfoundld [illegible]-86	103¾	104¾
Nipp El 7½-88	100	101½
OntarioHyd 8¼-86	102	103
OttaElev 8¾-85	105	106
Pechiney 9-85	104⅝	105⅝
Ph Mor 8½-86	105¼	106¼
QuebecCity 9-82	106½	107½
QuebecHyd 9¼-85	105½	106½
QuebecHyd 8¼-86	101	102
QuebecProv 9-85	104⅝	105⅝
Queensland 9-82	102¼	104¼
Richardson 8¾-85	104⅝	105⅝
SFE 9-78	105⅝	106⅝
Shell Int. 7½-86	99½	100½
Siemens 9-85	105½	106½
Sira Kvina 9-85	105¼	106¼
Transocean 7-80	97¾	98¾
Transocean 8-84	101½	102½
Transocean 9-85	105	106
Transocean 8-86	101¾	102¾
TRW 7¾-83	95	96
UniliMarch 9-82	103¾	104¾

Floating Rates

Autopistas 7½-75	97½	100½
Enel 7⅞-80	100⅜	101¼
GeneralCa 9⅛-80	101	102
Insilco 7½-80	100	100½
Pepsi 9⅛-80	98⅝	99¼
Argentine 8¼-77	96	95

Convertible Bonds

Addressog 4¾-88	82	83
Amoco 5½-84	106⅝	107⅝
Apco 6-89	90¼	91¼
Alusuisse 4¾-87	85⅝	86⅝
Amer Can 4¾-83	89	90
Am Tob 5¼-88	121	122
Asahi 6¼-84	111½	113
Ashland 5-88	91	92
Beat Foods 7¼-90	131	132
Chevron 5-88	103⅝	104⅝
Chesebr 6¼-84	122¼	123¼
Chrysler 4¾-88	79½	80½
Chrysler 5-88	85⅝	86⅝
Cont Tele 5½-88	102	103
CumminsInt 5-86	155	157
Dai Nippon 6¾-87	154½	156
EquityF 5½-87	96⅝	95⅝
EastKodak 4½-88	115	116
Fed.Dept. 4½-85	122½	123½
Firestone 5-88	103¼	104¼
Ford 5-83	108½	109½
Ford 6-86	117¾	118¾
Fuji Photo 6½-85	137	143
GenElec 4¼-85	105¾	106¾
GenFoods 4½-82	97	98
Gillette 4¾-82	88	89
Hitachi 6¼-84	96½	98
Holiday Inns 6-85	147	148
Honeywell 5-83	141½	142½
I.S.E. 5-85	116	117
I.S.E. 6¼-89	116	117
Itoh 6½-89	280	290
J. Logan 4¾-83	110½	111½
W. Kidde 5-89	85	86
Komatsu 6¼-84	101½	102½
Kubota 6½-84	132½	134
Leasco 5-88	77¼	78¼
Leasco Int 5-89	70	71
LTV 5-88	51	52
MarMidland 5-88	102½	103½
Michelin 6-85	118¾	119¾
Miles 4¾-93	102	103
Mitsubishi 7-85	106	107½
MitsubShoji 7½-85	169	171
Mitsui 6½-83	185	195
Motorola 4½-83	119½	120½
MurphyOil 5-89	90½	91½
Nabisco 5½-83	117	118
Owens Ill 5-77	101½	102½
PanAm 5¼-89	82	83
Penney J.C. 6-89	133	134
Pepsico 4½-81	153¼	154¼
PhilMor 4¾-89	207	209
Phil Lamp 4¾-88	95¼	96¼
RCA 5-89	99¼	100¼
Revlon 4¾-83	116	117
ReynoldsM 5-88	82½	83½
Searle 4¾-88	157	158
Texaco 4½-88	92	93
Toshiba 6½-85	97½	101
20th Cent. 5-87	77¼	78¼
Tyco 5-84	67	69
UnionCarb 4¾-82	100¾	101¾
UtahIntl 5¼-83	174	176
WardFoods 5¾-88	76½	77½
WarnLam 4½-88	147	148

Bondtrade—Index

(Basis Dec. 31, 1966—100)

	Med	Long	Conv
Previous	100.21	95.16	123.27
Yesterday	100.19	95.16	122.97

Rhone-Poulenc Leads Move To Meet 'U.S. Challenge'

By John L. Hess

PARIS, Feb. 21 (NYT).—Soon after the advent of the Fifth Republic, the French government decided that it could meet the "American Challenge" only by promoting mergers and aggressive investment to develop corporations of a worldwide scale. The crown of this policy today is Rhone-Poulenc.

From a scattering of independent concerns, mostly family-owned and cautious in their investment policy, this holding company has become the largest chemical producer in Europe. One of its divisions accounts for 8 percent of the world output of synthetic textiles and the company as a whole employs 119,000 persons around the world.

Its growth continues. Despite a tightening competitive situation in synthetics and plastics, Rhone-Poulenc is actively pursuing a three-year, billion-dollar investment program. Hardly a month goes by without the announcement of a stock acquisition or a new industrial project.

In 1970 the company edged over $2 billion in sales and reported a net income of about $85 million and a cash flow of about $260 million. Sales in the first half of 1971 rose 7.2 percent, but profits fell sharply as a result of weakening product prices and higher costs, notably for petroleum, which jumped 50 percent.

Even so, according to observers here, Rhone-Poulenc is in a strong position for the present squeeze in world markets as compared with its competitors, chiefly the West Germans. This is not only because of the revaluation of the deutsche mark, but also because of an interesting reversal.

In the immediate postwar period, French business was cautious, limiting its investment largely to self-generated funds. The big German chemical companies, among others, went heavily into debt to rebuild their power. Having come only lately into the money market for funds, Rhone-Poulenc enjoys a relatively healthy capital position, French observers say.

So many companies now are part of Rhone-Poulenc that its genealogy is rather involved. Its name stems from two modest drug and dye concerns founded a century ago in Lyons, the French textile capital. Merged, they began to take off in the 1920s, with the development of cellulose fibers and film.

The company Cellophane, now a major division of Rhone-Poulenc, developed the product of that name and built an international industry around it—although it may have missed a great opportunity when it assigned the U.S. rights to Du Pont in 1923.

Since then, Rhone-Poulenc has penetrated the United States market with Rhodia, one of many subsidiary producers in a score of countries, of synthetics, drugs, plastics, film and other chemicals. These foreign affiliates now account for 27 percent of its sales. In addition its French plants collectively are the nation's largest privately-owned exporter. Government-owned Renault holds the overall lead.

Dutch Aide Denies Plan to Purchase French Jet Planes

THE HAGUE, Feb. 21 (Reuters).—Defense Minister Hans de Koster denied today that Holland has chosen French Mirage-F fighters to replace American-designed Starfighters in the air force after 1976.

In a written parliamentary reply, he added that there were no concrete plans for replacing recently-bought American Northrop NF-5 jets.

His questioner, opposition Labor member A. Stemerdink, asserted last week that the air force had chosen Mirages to replace both types of planes.

Mr. de Koster said no decision could be taken on the Starfighters pending a government commission report due next month. Four aircraft remain under consideration as replacement, he added. These are the American Lockheed CL-1200 Lancer, the Northrop P-530 Cobra, the French Dassault Mirage-F and the Swedish SAAB-37 Viggen.

International Stock Indexes

	Today	Prev.	1972 High	1972 Low
Amsterdam	121.5	120.3	121.5	105.4
Brussels	105.12	103.85	105.12	96.96
Frankfurt	142.09	141.36	142.59	126.93
London 30	490.6	495.3	501.7	370.4
London 500	207.38	207.51	208.24	196.75
Milan	45.85	45.55	46.01	45.46
Paris	101.2	101.1	106.2	100.1
Sydney	522.25	532.17	525.30	490.10
Tokyo (n)	217.80	219.10	218.10	189.13
Tokyo (o)	2950.29	2956.83	2950.29	2712.31
Zurich	Unavail.	367.1	380.4	347.1

(n) new. (o) old.

Tokyo Exchange

Feb. 21, 1972

	Price Yen		Price Yen
Asahi Glass	203	Matsu. El. Wks	581
Canon Camera	187	Mitsubi Hvy Ind.	82
Dai Nip. Print.	256	Mitsubi Corp.	208
Fuji Bank	398	Mitsui & Co.	260
Fuji Photo	401	Mitsukoshi	470
Hitachi	110	Nippon Elec.	180
Honda Motor	344	Sharp	221
C. Itoh	360	Shiseido	1,140
Japan Air Lines	1,700	Sony Corp	4,270
Kansai El. P.	820	Sumitomo Bk.	400
Kao Soap	488	Taisho Marine	219
Kirin Brewery	237	Takeda Chem.	189
Komatsu	189	Teijin	78
Kubota I. Wks.	263	Tokyo Marine	482
Matsu. E. Ind.	548	Toray	98
		Toyota Motor	490

Woman Likely To Join AT&T Management

NEW YORK, Feb. 21 (NYT).—The world's largest stockholder family will get a chance on April 19 to elect a banker from Milwaukee as the first woman on the board of directors of the giant American Telephone & Telegraph Co. She is Catherine B. Cleary, president and a director of First Wisconsin Trust Co.

Miss Cleary, who is 55 years old, was named along with William J. McGill, president of Columbia University, to fill board vacancies.

Her election, which is a foregone conclusion since it was proposed by management, would make her the first woman to sit on the board of AT&T and might go a long way toward ending criticism of management for not having a woman in the top echelon of the company.

TRANSPACIFIC FUND

Société Anonyme

Registered office: LUXEMBOURG, 14, rue Aldringer

NOTICE OF ANNUAL
GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of Transpacific Fund will be held at the registered office of the Company at Luxembourg, 14, Rue Aldringer, on Tuesday, March 7th, at 11 o'clock A.M. for the purpose of considering and voting upon the following matters:

1—Report of the Directors on the Fund's activities in 1971;
2—Report of the Statutory Auditor for 1971;
3—Approval of the Balance Sheet and the Profit and Loss Account for the fiscal year ended December 31, 1971;
4—Allocation of the net profit;
5—Approval of all actions taken by the Directors and Statutory Auditor during 1971;
6—Statutory elections;
7—Other business.

Resolutions on the agenda of the Annual General Meeting do not require a special quorum and will be adopted if voted by majority of the shareholders present or represented with the restriction that no person present at the Meeting can for himself or as attorney for other shareholders vote a number of shares exceeding one-fifth of the total shares issued or two-fifths of the shares represented at the General Meeting.

In order to attend and act at the Annual General Meeting, the owners of bearer shares will have to deposit their shares five days before the Meeting with one of the following banks:

Banque de Neuflize, Schlumberger, Mallet	12 Place de la Bourse, Paris
Sté. Générale de Banque S.A.	2 Montagne du Parc, Bruxelles
Bank Mees and Hope N.V.	548 Herengracht, Amsterdam C
Banque Générale du Luxembourg S.A.	14 Rue Aldringer, Luxembourg
De L'Harpe, Leclerc et Cie	2 Bld. du Théâtre, Genève
Delbrück and Co.	15 Gereonstrasse, Cologne.

The Board of Directors

INTERNATIONAL EXECUTIVE OPPORTUNITIES

EXECUTIVES AVAILABLE

Bankers Reject Euroslump as Myth

(Continued from Page 15)

analysts who are concerned that the German slowdown may be too mild to have much effect on inflation.

● Sir Frederic Seebohm, vice-chairman of Barclays Bank, predicted that the 1971 U.K. recession (the economic paralysis resulting from the coal strike to the contrary notwithstanding) had reached its trough. Signs of inventory accumulation were appearing, he said, which, when coupled with the improvement in productivity that had taken place, should bring corporate profits snapping back smartly.

The only serious dissent to this generally bullish view was heard in Amsterdam, where central banking officials expressed great concern about the severity and duration of the squeeze on profits in the last two years that has been caused by wages rising much more rapidly than productivity.

The downturn in profitability has so clouded the corporate outlook, they argued, that for the first time since the war there was a broad reluctance among leading businessmen to spend for new plant and equipment.

The outlook of Dutch officials is for a much "cooler" economic climate in the first part of the 1970s than was characteristic in the last decade.

However, in Germany, which because of the size and dynamism of its economy has a major influence on the business trend all over the Continent, the forecast is not so cautious.

It is true that German industry is suffering from a host of problems—not the least of which is a serious decline in profits—but analysts see a number of major factors at work to turn the economy upward, especially in the second half.

Substandard Growth Seen

For 1972, real economic growth (total output measured in deutsche marks of constant purchasing power) is expected to be about half the 4 percent rate considered here to be "normal".

But this performance is expected to be the result of a very slow first half and a much more vigorous second. Furthermore, a 2 percent rate of growth in real output, if it were achieved, would be about twice what many German forecasters expected only six or eight weeks ago.

Staff economists at the Bundesbank cite four major factors as likely to provide upward thrust:

● Government stimulation. In the year ended last June, the government collected – roughly 6 billion DM in the form of a special 10 percent income tax surcharge. But by law the surcharge must be repaid to the taxpayers no later than March of next year. This repayment is likely to come this summer and at the same time the government is also readying a special 2.5 billion-DM program to finance additional public investment.

● Housing. In part as a hedge against rapidly rising prices, Germans have been rushing to buy new houses, with the result that at the end of last year Germany, with a stable population, had one million new housing units under construction, by far the highest total in its postwar history.

● Capital spending. Rising output should absorb the slack of unused industrial capacity in relatively short order so that by year's end a new boom in plant and equipment outlays could develop.

● External demand. Economic recovery, especially in the United States and Britain, should spur the demand for German exports.

The sum of these factors leaves some high officials in the Bundesbank with the uneasy feeling that Karl Schiller, Minister of Finance and Economics, may be getting ready to jump into the economy with new stimulation "at a far too early stage."

The trade unions, these officials argue, "do not see any reason to be particularly reasonable" in their wage demands since they, too, can see a marked economic pickup coming in the second half of 1972.

Inflation Held Bigger Problem

Panel Urges IMF Powers To 'Fine' Offending Nations

By Edwin L. Dale Jr.

WASHINGTON, Feb. 21 (NYT). —A panel of economists, lawyers and government officials recommended yesterday that in a reformed world monetary system the International Monetary Fund be given powers to penalize nations that refuse to abide by internationally agreed recommendations on their economic policy.

The panel, sponsored by the American Society of International Law, proposed a formal amendment to the IMF's articles of agreement, spelling out carefully safeguarded procedures that could lead in the end to sanctions against a nation whose policies, or wrongly valued currency exchange rate, were deemed to be damaging the international economy as a whole.

The sanctions, in the case of a country with a chronic balance-of-payments surplus, could take the form of a tax imposed by all other countries on imports from the offending country. Or the IMF could exact a "fine" in the form of a deduction from the country's monetary reserves, particularly special drawing rights.

In the case of a country in chronic deficit, needing to devalue its currency, the sanctions could be a cutoff of all credit, from the fund itself and the member countries. The country could also be allowed to use temporary import restrictions and export subsidies.

Under the proposed system, a country could be requested to "float" its currency and eventually the new international review body proposed in the report could specify the new exchange rate at which the currency should be fixed.

The report said: "It is undoubtedly true that compliance is a difficult concept for sovereign nations to accept. But if the panel is correct in its judgment that a highly integrated world economy operating within the context of relatively stable exchange rates will require a high degree of policy coordination to avoid serious breakdowns, then an acceptable compliance procedure will be essential."

Broad Consensus Needed

The study group of 26, aided by a Ford Foundation grant, was headed by Stanley S. Surrey of the Harvard Law School.

The report recommended a several-stage voting procedure that would make sure no country could receive a formal recommendation —and eventually be penalized— without the overwhelming concurrence of the international community generally.

The proposal would be one way of meeting a major U.S. objective in the forthcoming negotiations to reform the system—a means of forcing action on chronic surplus countries, and not only on deficit countries as et present. The most likely action to be recommended to a surplus country under the new procedure would be an upward revaluation of the country's currency exchange rate.

Transatlantic Air Business A 'Jungle'

Charters, Scheduled Lines Break Rules

(Continued from Page 15)

schedule—and on the other, 23 lines from seven countries that fly only charter flights. The latter group uses modern jets like scheduled airlines, but instead of selling to individual passengers, they charter an entire plane (usually with from 180 to 250 or more seats) to a travel agent, union, professional society or other organization.

Rates on charter flights often run half as much as those on scheduled trips, reflecting the fact that most seats are paid for. Scheduled flight fares reflect the fact that about half the seats fly empty the year around.

Industry sources say the internecine airline war has heated up this winter for the following reasons:

● The failure of feuding scheduled airlines—in their stopgap agreement that averted the threatened price war—to come up with a low individual fare competitive with charter rates during the peak summer season, or to simplify their complex fare schedules.

● Over-capacity problems are growing. Three new non-scheduled airlines—two from Yugoslavia ane one from Lebanon—have received approval to fly the route since last summer. Applications from six other charter and one scheduled airlines are pending before the CAB.

● Next summer charter airlines for the first time will be able to tap the fare-reducing potential of jumbo jets. Two charter lines—Universal of the United States and Condor of West Germany—will fly Boeing 747s with as many as 500 seats over the Atlantic.

Once-unfamiliar and untrusted charter airlines are gaining broader recognition and acceptance as the public learns that their jets and their safety records compare favorably with those of more widely advertised scheduled lines.

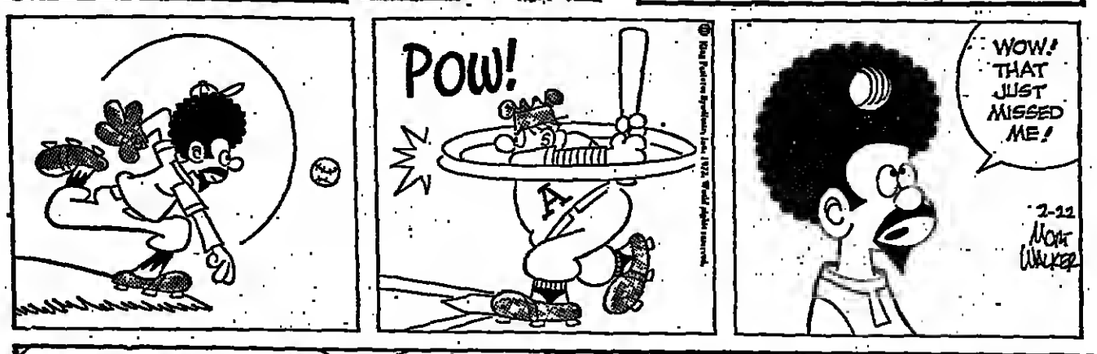
● High-volume tour companies such as American Express have begun to divert business from scheduled lines to charter lines.

PEANUTS

B.C.

LI'L ABNER

BEETLE BAILEY



MISS PEACH

BUZ SAWYER

WIZARD of ID

REX MORGAN M.D.

POGO

RIP KIRBY

BLONDIE

BRIDGE

By Alan Truscott

The diagramed deal offered an unusual opportunity for suit-preference signaling. South's opening bid was two no-trump, appropriate whether he was using the traditional 22-24 point range or the modern 21-22, now customary in tournament play.

North raised to three no-trump, and was lucky in finding his partner with four clubs. The partnership was unlucky, however, in hitting the one distribution of the opponents' aces that allows the contract to be defeated. Declarer can succeed only if the defense goes off the track.

West had an obvious spade lead, and South's best move was to win with the king or the queen in the closed hand—the ace would have made it easy for East to figure out that South must also have at least the king.

However South's choice of spade winner hardly mattered: West was immediately aware that the spade suit offered no hope when East played the spade ten. His partner's play denied the possession of a high honor because West could see the jack in his own hand.

With four hands in view, it is easy to see that the defense can take five tricks if East shifts to the diamond queen when he wins his club ace. But how can he know whether to shift to diamonds or hearts?

The answer is he must give his partner an opportunity to convey as much information as possible—then interpret it correctly. He must hold his club ace until the third round not because he can shut out the clubs—he knows that is impossible when West fails to follow to the second round—but because he wants to see two discards.

The fact that West parts with spades makes it clear that he has given up hope of running that suit. And when he plays the two and the four East should understand that the lower side-suit, diamonds, is wanted. If West wanted hearts, he would discard the nine and jack of spades. On this basis, with partnership cooperation, the winning shift to the diamond queen becomes a clearcut choice for East.

NORTH
♠873
♡106
◇943
♣K7632

WEST
♠J96542
♡Q8
◇A1052
♣10

EAST
♠10
♡J97542
◇QJ7
♣A54

SOUTH (D)
♠AKQ
♡AK3
◇K86
♣QJ98

Both sides were vulnerable.
The bidding:

South	West	North	East
2N.T.	Pass	3N.T.	Pass
Pass	Pass		

West led the spade five.

Solution to Previous Puzzle

DENNIS THE MENACE

JUMBLE— *that scrambled word game!*

By Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

VETEN

HORCI

HALTEL

CHECIT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print the SURPRISE ANSWER here: A

(Answers tomorrow)

Yesterday's Jumbles: CHIEF LIMIT IGUANA BARIUM
Answer: *Sounds like a crime in China*—A CLIMB

BOOKS

THE DOUBLE-CROSS SYSTEM
In the War of 1939 to 1945

By J. C. Masterman. 203 pp. Yale. $6.95.

Reviewed by Thomas Lask

A casual thumb-through of Sir John Masterman's book would fix it as a bare-bones study of one part of the espionage business in World War II: the control of German agents operating in England. The book is spare, absolutely free of histrionics, impersonal, with the calculated detachment of a primer, which it is. Predictably it is also free of cinematic hyperbole and of that personal intrusion found in current books on espionage that make the author's effort in writing the book the equal of the most hazardous exploit in it. Sir John worked with the counter-espionage organization that he is analyzing, and he wrote it in 1945, immediately after the events described herein. It was intended as a history of this branch of the service, complete with successes and failures and what could be learned from both. No event was blown up by what was later discovered from history. For obvious reasons, the book was classified at the time of its writing, and only now has the British government released it for common consumption.

It has the defects of its virtues. It has been depersonalized to a fault. Each happening becomes a case illustrating principles worthy of subsequent note. It is hard, therefore, for the average reader to find the individual behind "Garbo" or "Tricycle" or "Snow." Some of the incidents are so dramatic, such as the one in the later stages of the war in which the Germans were persuaded that their V-1 and V-2 bombs had overshot their targets, that one would like to read a step-by-step account of what questions were received from the Germans, what answers were sent and how the results took shape.

How dramatic the events really were can be gathered from the extended account of one of them in Ewan Montagu's "The Man Who Never Was" (1953), which told how a corpse was washed ashore in Spain carrying documents purporting to show where the next Allied invasion in the Mediterranean was to take place.

And it would have been very pleasant to have had a little more of the author in the book. He has kept himself so thoroughly out of this memoir that it is impossible to learn anything about him and impossible to share the rise and fall of his feelings in expectations fulfilled or hopes blasted.

Nevertheless, in spite of such lengthy demurrers, these bones live, and it is not likely that the book will be easily matched in telling how this operation truly was. There are no absolutes in the book. It is full of nuances, shadows, possibilities. Those in charge were continually skeptical, weighing and balancing to the last ounce. They had to think as Englishmen, as Germans, and as the agents in between. Sir John remarks that the man in control of a particular agent had to get inside the skin of the man he was directing. A large area of frightening supposition was involved, and it was not easy to check on results.

The aim of Sir John's group was to control the agents Germany had sent to Britain. This was not the same as destroying them. The idea was to locate them—evidently not a very hard thing to do—then to turn them around and use them for British purposes. Thus England could learn how the German espionage system worked, who its members were, what information it sought and what could be gathered about their intentions from their questions. It was possible to tell, as the war went on, that the Germans had changed from the offensive to the defensive in their thinking, from the invasion of Britain to the defense of French shores. Contrariwise, when confidence had been built up among the Germans, it became possible to send false information. The whole business of deception, as the author tells it, was one of the effective though quiet victories of the war.

All of this activity demanded enormous sophistication. The information the Germans asked for was concrete and exact. The English replies had to be equally so. The problem was to provide believable answers to the Germans without really giving anything away. The agents were a motley group and always a brittle element. Some were loyal to England and were masterly in their work; others were unstable and only spottily valuable. An ever-present danger was that some bits of information wouldn't jibe and the agent might be "blown," to use Sir John's own phrase. He discovered later, and he cites it as one of the mistakes of the German Abwehr, that too many German officers began to have vested interests in their spies and lost that critical objectivity that was a necessary ingredient in such an undertaking. In some cases it seemed almost impossible for the British to destroy the credibility of the agent to his German master.

Every reader will be fascinated by the foresight and planning that went into the creation of every deception. It was found to be wise, for example, to feed erroneous information to the Germans by bits and pieces rather than by a massive dollop through one man. It was startling to read that, as far back as 1942, the Germans were asking about American atomic research. And one realizes too that the book is not a story of fanciful derring-do, when the author mentions that some agents were executed after they were caught, because even the Germans would not have believed that every one of their men had gotten through.

During the war, the English published a number of monographs, accounts of various actions in which their military services were involved. I recall these papers, especially the ones dealing with sea warfare, as among the finest chronicles I read at the time, superbly written and maintaining an attractive balance between the heroism of the action and the cool tone of the telling. Sir John's book reminded me of those monographs. It belongs with the best of them.

Mr. Lask is a New York Times staff book reviewer.

CROSSWORD

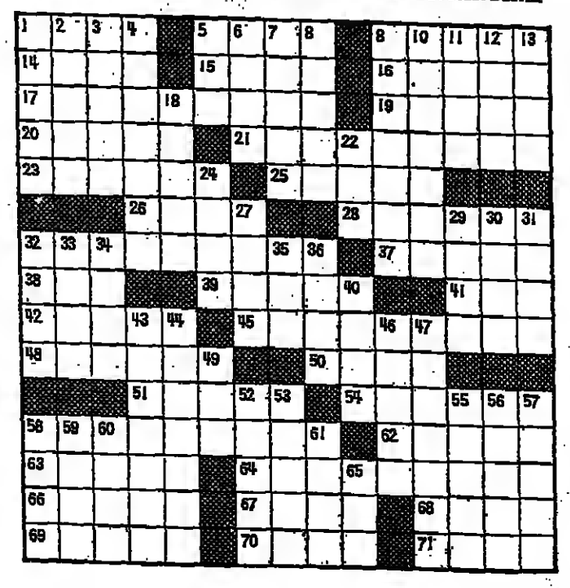
By Will Weng

ACROSS

1 Pony
5 Native of Oman
9 Prepare wallpaper
14 Memory, for one
15 Venus de ——
16 Straightedge
17 Eastern capital
19 Aromas
20 View
21 High-spirited
23 Horror-film sound
25 Metal piece
26 Sea eagle
28 Battery plates
32 Ready for a party
37 Old English coin
38 Atmosphere
39 Dice throw
41 Agency of 30's
42 Moslem lady
45 Dress sizes
48 Inclines
50 Cunning look
51 Spinnakers, etc.
54 Shawl
58 Offer one's services
62 Family members
63 Approach: Fr.
64 Symphony-hall concern
66 Cosmetic
67 Healed wound
68 —— fixe
69 Ceremonial dinner
70 Style
71 British tax

DOWN

1 Genre
2 Cowboy's locale
3 Hidden
4 Certain caps
5 I love: Lat.
6 Miff
7 Excuse
8 Naval man
9 Extend
10 Listener
11 Kind of gin
12 Gull's relative
13 Formerly, old style
18 Equals
22 Code name of N.Y. airport
24 Joint
27 Correct
29 Exhausted
30 Deserve
31 Depots: Abbr.
32 Small lumps
33 Canadian rebel of 1800's
34 Therefore
35 Sound of disgust
36 N.L. player
40 Very, in Paris
43 Rapid rise
44 Wander around
46 Pours
47 Inconsistent
49 Pose
52 Slightest
53 Dry-plaster painting
55 Chemical compound
56 Tempos
57 Letters
58 Deviations: Abbr.
59 Musical instrument
60 Garish
61 Kind of horse
65 Process: Suffix



Scores 3 Knockdowns

Griffith Easily Defeats Kechichian on Points

By Bernard Kirsch

PARIS, Feb. 21 (IHT).—Emile Griffith easily convinced everyone that he wasn't in the ring alone tonight because somebody kept hitting the canvas and it wasn't Emile.

The former middleweight and welterweight champion put on an artistic, if not quite solo, performance at the Palais des Sports, which recently housed the Maurice Béjart ballet. But it was Griffith's precision and cool handwork against a courageous but outclassed Jacques Kechichian that won him a unanimous 10-round decision.

A professional pugilist for 15 years, thrice the welterweight and twice the middleweight champion of the world, Emile confused his opponent, the incumbent super-welterweight champion of France.

He had Kechichian going the wrong way in the third round, and Kechichian walked into a left hook and hit the deck. He did it again in the fourth, and there was an encore in the eighth for the third knockdown of the fight.

Every time, though, Kechichian, an Armenian living in Paris, got up and the sell-out crowd of 5,500 murmured, "What courage he has." It was something anyone who had seen him in his previous 24 fights knew, but now he had a cut face to go with his courage. He also had his third loss.

Griffith was a winner for the 23d time; he has lost 12 and had one "no decision" contest. He has lost his last three title shots, and is now working his way back towards another try, which would give him a total of 22 title fights.

Paris was his third whistle stop this year. He had won in Anaheim, Calif., and New York. Bout No. 4 will be March 23 in California against Indian Red Lopez, who has lost to Griffith in a previous bout. The coming fight was booked by Griffith's owner last Thursday, and tonight proved the perfect workout.

A judge and the referee scored it 50-40 and 50-43, which, with five points going to the winner of a round, meant that Griffith won every round. The second judge scored it 49-42, and it was hard to guess which was the lost round. Charitably, it might have been the 10th, a round in which Griffith decided not to go for the knockout.

"What was the point?" said his manager, Gil Clancy.

"Don't forget," added Griffith, "it only takes one punch to change a fight and I wasn't in the ring alone tonight. You don't want to get too careless." Emile never did.

Except for a recently acquired bald spot, Emile, 34, appeared as young as ever. For the first two rounds, he bounced around, looking over his man. Kechichian had a reputation for throwing a good right. It never landed tonight.

In the third, Emile, who had been boxing from a distance, moved closer to his opponent. Emile weaved to the right, Kechichian bobbed to the left. It happened again, the same rhythm. The third time, the bobbing movement of the Armenian was cut short with a left hook and he hit the canvas.

In the fourth, again they got close, and boom, the same thing, and another eight count. Philippe Filippi, Kechichian's wise old manager who wasn't wise enough to refuse this bout (after all, Emile also said, "Anything can happen in a fight") saw what Emile was doing to his man. And a split second before the waltz ended in Kechichian's second trip to the canvas, Filippi slapped his head, and the beat was echoed by Kechichian's trunks slapping the canvas.

Kechichian, 29, got up, and instead of crouching, kept his head back, and Emile dug to the body, until the eighth, when he found the head and hooked Kechichian to the canvas for a third time.

"We got to take them one bout at a time," Griffith continued after the bout. "He was a good, courageous, strong fighter," and soon the talk drifted to future opponents, to Lopez, to a possible match here in Paris against Frenchman Jean-Claude Bouttier, or maybe a fight for the super-welterweight title of the world in Japan.

AP.

Jacques Kechichian ...
...losing picture

Ali vs Chuvalo

VANCOUVER, British Columbia, Feb. 21. (UPI).—Muhammad Ali will fight George Chuvalo in a 12-round bout here on March 13, with Ali guaranteed $200,000 and Chuvalo $60,000.

The two men met before, with Ali, then known as Cassius Clay, successfully defending his title in March, 1966, in Toronto. The bout was the first time Clay had had to go the 15-round distance. Chuvalo, the Canadian champion, has a record of 67 victories and 16 losses with two draws. He has never been off his feet.

New Discussion On Chess Sites Set for Moscow

AMSTERDAM, Feb. 21 (AP).—New consultations about the venue for the world chess championship match between champion Boris Spassky of the Soviet Union and challenger Bobby Fischer of the United States will be held in Moscow on March 2 and 3, the secretariat of the World Chess Federation announced here today.

Commenting on a Russian protest against the decision of FIDE president Dr. Max Euwe to share the match between Belgrade and Reykjavik, the secretariat said that, although according to FIDE rules the decision could only be reversed by the FIDE congress, Euwe was prepared to discuss the issue on the next meeting of the FIDE board in Moscow.

The Russian Chess Federation, which represents world champion Spassky, "stressed in its protest that Euwe's decision to hold the match in Belgrade and Reykjavik would be against FIDE regulations," the secretariat said in an official statement.

Money Tale of 2 Athletes: Riches for Chones, Bitterness for Blue

'When the college recruiters came, the stink from the dead rats in the hollow walls embarrassed me.'

By Dave Anderson

NEW YORK, Feb. 21 (NYT).—In the paneled conference room of the Milwaukee law firm of Cahill, Fox and Smith one night last week, the only 6-foot-11-inch political science junior at Marquette University leaned down to sign a contract that had been arranged with the New York Nets after several hours of negotiation.

"And when I signed it," Jim Chones said later, "I heard angels singing and water running off a mountain."

He looked around at his attorney, Eugene Smith; at Roy Boe, the Nets' owner; at Bill Skehan, the Nets' attorney.

"I got to go," he said quickly. "I got to go home right now. I got to tell everybody at home all about this."

He drove to nearby Racine, Wis., in a white Camaro that he often borrows from his best friend, Sylvester Harris, a 26-year-old Racine policeman. He doesn't own a car. He often rides the bus, $1.15 one way, from Racine to the Marquette campus. His mother has a car, but she uses it to get to work at the Hub Restaurant, where she makes salads. But when her oldest son parked outside the old green wooden house on Edgewood Avenue, her four daughters and other son were asleep. He woke up everybody except 11-year-old Sylvia.

"He just put the contract on the dining room table," Mrs. Mamie Chones recalled. "My prayers had been answered."

The following morning, when Sylvia learned of the contract, it was her turn to announce it throughout the household.

"Bunny signed a contract," she said, her nickname for her brother's middle name, Barnett. "We rich. We rich."

Ever since J.W. Chones, a foundry worker, died two years ago, his widow has struggled to keep her close, Baptist family together. Another son might've ignored his mother's struggle, but Jim Chones didn't. Nearly a year ago, another American Basketball Association team had offered him $625,000 in a five-year contract.

"I told Jim to wait, that it'd be doubled," Al McGuire, the Marquette coach, remembered. "And he almost got it tripled."

From that, it would appear that the Nets assured Chones about $1,500,000 over five years in what Boe describes as "real money"—cash, not stock, not annuities, not gimmicks. Portland, Buffalo and Cleveland of the National Basketball Association had bid for him. So had another ABA team. Unlike other college basketball players who chose to sign secretly in order to maintain their eligibility, such as Howard Porter of Villanova last year, Chones signed openly, terminating his college career immediately, although he can't join the Nets until next season.

"I wanted to get it over with," he explained. "My being the oldest, I had a commitment to my family. Ever since I turned down the offer last year, I questioned myself. I thought, suppose I break my leg, who'll take care of me, who'll take care of my family? Growing up, the worst thing was seeing my father always trying, but never making it. We were bankrupt five or six times. We had to spray our house for roaches, sweeping 'em up in a pile. When the college recruiters came, the stink from the dead rats in the hollow walls embarrassed me."

He doesn't have to be embarrassed any more. But his new commitment is to fulfill his potential as a basketball player and to complete his credits for a college degree.

"It's not going to be instant coffee," Al McGuire predicted. "It'll take a couple years, but it's there. He's got the ability to turn a pro club around. And he's got to get his degree. We don't run a plantation here. The degree is the thing here. That's why you go to college. He'll finish at a Long Island (N.Y.) college, I guess. It's important for him to finish. Important for other black kids to see him finish. He will. Jim Chones is a good person."

Priorities

With him, Marquette, unbeaten this season and the nation's second-ranking team, might've won the National Collegiate championship. But he doubts that his ex-teammates will resent his decision.

"They understand, we've talked about it," he said. "We had a great team. Even when we played bad, we won. With all the pressure, I hadn't improved since last season. But now I think I'll be able to get my game together. My game is a lot like Willis Reed's on offense, a lot like Nate Thurmond's on defense. I'm a long way from them, but it's there. And another thing, I wanted to play in New York because New York is basketball. If you do it in New York, you've done it."

Perhaps, if he had waited, the New York Knicks would've dealt for a low draft choice to get him.

"Maybe, but I couldn't wait, I didn't want to wait," Jim Chones said. "Things happen in priorities. My first priority is to my family. My father always told me, 'Don't let basketball make a fool of you,' meaning don't let it become the first priority. I hope I haven't."

AP.

Jim Chones
...tall order.

AP.

Vida Blue
...money pitch.

'I won't trade him and I won't sell him. Either he accepts what we have offered or he's through in baseball.'

By Red Smith

NEW YORK, Feb. 21 (NYT).—Vida Blue, the brightest individual star in baseball last summer and the biggest single attraction in the American League, has been presented with a simple choice by the man who owns him: Either play for $50,000 this year or get out of the game.

"I won't trade him and I won't sell him," Charley Finley, proprietor of the Oakland Athletics, has told the young pitcher's agent and attorney. "Either he accepts what we have offered or he's through in baseball."

This isn't the first time a baseball employer has threatened a hired hand. "Let him sit home and rot," is a cliché as old as the reserve clause and the holdout. Charley Finley is perfectly capable of cutting off his nose to spite his face, as Hawk Harrelson can testify. But what he is saying this time is that sooner than pay what he admits Blue is worth he would freeze out a 22-year-old who pitched a no-hitter breaking into the majors, led the team to a divisional championship with a personal won-lost record of 24 and 8 and in his first big-league season won the Most Valuable Player award in the American League and the Cy Young Award as the best pitcher in baseball.

If Charley Finley can do that, then he has a death wish bigger than his Napoleon complex.

Eight hours of negotiation-by-fear in his employer's insurance office in Chicago left young Vida shocked but Robert J. Gerst, the Los Angeles attorney who represents him, was not impressed by Finley's ultimatum.

'VBLUE'

"Charley," he said, "I do not believe that you would tear a million dollars into little pieces and scatter them over Michigan Avenue from your window on the 27th floor."

Because he had pitched a one-hitter and a no-hitter after joining the Athletics in late 1970, Blue's contract for his rookie season called for $14,750, slightly above the major league minimum. He had received a $25,000 bonus when the A's signed him out of high school in Mansfield, La. When he blossomed as a star last summer, Finley bought him a blue Cadillac with "VBLUE" on the license tags and gave him a credit card for gasoline. It was written that "the only thing lacking was a slice of watermelon."

Vida wanted to give the car back but was talked out of it. However, he did not conceal his anger when Finley suggested that he'd be willing to pay $2,000 if Vida would adopt true as a middle name. The young man said Vida Blue had been his father's name and that he did honor to his father's memory every time he pitched.

This year Finley's opening offer was $45,000, an increase of 300 percent. Gerst suggested $115,000, close to 800 percent. Charley said $50,000 and that was final.

"I asked him," Gerst reports, "if he could give any reason why Vida shouldn't get the average salary of the 10 best paid pitchers in the majors. Starting with Bob Gibson at $150,000, Ferguson Jenkins and Juan Marichal, then Tom Seaver at $120,000, Denny McLain, the two Perrys, Claude Osteen at $75,000, Dave McNally and Jim Palmer, we estimated that an average figure would be around $82,500. We offered to settle for that.

"Finley didn't give us any reason why Vida shouldn't get it. In fact, he admitted that Vida was worth it and said if he were in Vida's position he'd be asking the same. 'But,' he said, 'I won't pay it.'

"In 1970, Charley said the same thing to Reggie Jackson, who went into a fit of rage. Vida was just as angry when he heard it. Since our meeting in Chicago I've talked to Finley twice on the phone and written him two long letters. 'Charley,' I've urged him, 'don't made the same mistake you made with Reggie Jackson.' "

There is an interesting parallel between these discussions and Tom Seaver's bargaining with the Mets' Bob Scheffing. Seaver compared his and the team's victory totals over five years, took note of attendance figures and arrived at an asking price. Says Gerst:

"We discussed the fact that a million fans paid to see Vida last year and the whole American League drew only 11 million. Here are the figures: League attendance was 11,670,504; in Vida's 39 starts, attendance was 909,422 for an average of 23,318; in 19 starts on the road Vida drew 530,000 for an average of 28,300, compared with the league average of 12,200; Oakland did 914,993 at home and 370,000 of these saw Vida's 20 starts. In August when Vida was rained out in Baltimore, Charley was quoted to the effect that it cost him $30,000. He didn't deny it."

It has been written that other club owners are rooting for Finley, and that's probably true up to a point. That point would be reached when Charley told his lodge brothers they would have to get along without the box office appeal of the Most Valuable Player and Cy Young Award winner. They would then review the figures, noting especially how many millions the American League lagged behind the National at the gate. The telephone in Oakland would not stop ringing.

Blancas Wins Golf In Playoff

Defeats Wadkins On First Hole

PHOENIX, Ariz., Feb. 21 (AP).—Homero Blancas' four-foot birdie putt on the first extra hole yesterday defeated Lanny Wadkins in a playoff for the $25,000 first prize in the Phoenix Open golf tournament.

Blancas had missed a birdie attempt from about the same distance on the par-5 18th hole to give Wadkins, a rookie on the tour, a second shot at his first tour title.

The miss also set up the fifth playoff in seven weeks on the pro tour this season.

Wadkins missed his birdie putt from 13 feet on the extra hole and Blancas sank his for his fourth professional victory, and his first since the 1970 Colonial.

Wadkins, 22 and playing his 12th professional event, gained the tie with a final-round 68 on the 6,641-yard, par-71 Phoenix Country Club course. He tied Blancas for 72 holes at 273, 11 under par, as Blancas had a 69 yesterday.

It was the second No. 2 finish in two weeks for Wadkins, who missed by a stroke last week in the Bob Hope Classic. Second place was worth $14,300 yesterday.

Marty Fleckman closed with a 68 for third place at 274.

Tony Jacklin of England, tied with Blancas for the lead at the start of the fourth round, kept a share of first until he made a double-bogey 6 on the 11th hole.

He also had a double bogey on the 17th, where he was disturbed by the cry of a baby. Jacklin finished with a 72 for 276.

LEADING FINISHERS

Homero Blancas, $25,000 70-61-73-69—273
Lanny Wadkins, $14,300 70-70-67-67—273
Marty Fleckman, $6,850 69-69-68-68—274
Gene Littler, $4,869..... 67-68-70-71—276
Tony Jacklin, $4,869... 70-68-66-72—276
Paul Moran, $4,669..... 66-74-66-70—276
Jim Wiechers, $4,869... 68-70-70-68—276
Hubert Green, $3,530..... 69-70-72-66—277
Hal Underwood, $3,530 71-69-69-68—277
Jerry Abbott, $2,750..... 71-69-70-68—278
Steve Melnyk, $2,750... 71-72-67-68—278
Babe Blakey, $2,750..... 68-72-69-69—278
Dan Sikes, $2,750 ..... 72-70-67-69—278
Richard Karl, $1,938..... 67-69-71-72—279
Bruce Devlin, $1,938..... 67-70-70-72—279

Frank Robinson Receives $140,000 From the Dodgers

LOS ANGELES, Feb. 21 (AP).—Frank Robinson and Maury Wills signed their 1972 contracts yesterday with the Los Angeles Dodgers, a spokesman for the team said.

Robinson, 36, who came to the Dodgers from the Baltimore Orioles in an off-season trade, had sought a $150,000 salary. The Dodgers at first offered him $130,000 and raised the offer later to $140,000.

A major leaguer since 1956, Robinson has been named Most Valuable Player by both the National and American Leagues. He will play right field for the Dodgers.

The signings of Robinson and Wills, 39, brought to 26 the number of players on the Dodgers' 40-man roster who have signed contracts for 1972. Wills's contract was estimated at $100,000.

Among those who have yet to sign are pitchers Al Downing, a 20-game winner last year, Bill Singer and Don Sutton.

Probation Likely For Thomas

GREENVILLE, Texas, Feb. 21 (AP).—Duane Thomas, Dallas Cowboy star running back, pleaded guilty today to a charge of marijuana possession and District Court Judge Hollis Garmon indicated he would put him on probation.

The judge added he did not have sufficient information at the time to make a ruling, but hoped to have it later today.

Thomas's brother, Bertrand, also pleaded guilty to the same charge. Garmon said he would withhold a ruling in that case until he received a pre-sentence report from probation authorities.

11-Year-Old Canadian Wins in Ski Jumping

STEAMBOAT SPRINGS, Colo., Feb. 21 (UPI).—Mexi Zcenek, 11-year-old Canadian, won the 90-meter ski jumping event in the North American Nordic championships yesterday, edging fellow-countryman Peter Wilson.

Zcenek received 215.3 points with jumps of 91 and 94 meters. Wilson, 19, received 211 points on jumps of 92 and 91 meters.

McDaniels Makes a 90-Second Debut In the NBA as Seattle Wins Again

SEATTLE, Feb. 21 (AP).—He played only the last minute and a half of the game and missed the only shot he took in his National Basketball Association debut last night, but to the Seattle SuperSonics' fans in the crowd of 13,000, just the sight of 7-foot Jim McDaniels on the floor was satisfaction enough.

The former Carolina Cougar star rookie left the ABA team and signed a six-year contract with Seattle last Friday for a reported $1.5 million. Both the Cougars, who are decidedly upset, and the SuperSonics, have filed restraining orders in state courts. Hearings on the suits are scheduled for Feb. 28. At least until then, however, Seattle has the big man it has needed to help in its race for second place and a playoff berth in the Pacific Division.

Although McDaniels's performance was limited, guard Lenny Wilkens and Dick Snyder put in a full night's work, combining for 41 points to lead the SuperSonics to a 109-105 victory over the visiting Portland Trail Blazers. It was the Sonics' seventh straight success.

Cavaliers 111, Knicks 109

Reversing a pattern that cost them a dramatic victory in Chicago three nights before, the New York squandered a 21-point advantage, and lost to Cleveland, 111-109, before a jubilant crowd of 3,877 at Cleveland Arena. The defeat snapped a six-game Knicks winning streak.

In addition, it marked Cleveland's first victory over New York since the Cavaliers entered the league last season. In four games during this campaign, the Cavaliers were always second best.

Bucks 105, Bulls 100

Kareem Abdul-Jabbar scored 30 points, 16 in the fourth quarter, as Milwaukee held off a Chicago rally for a 103-100 victory.

Sparked by Bob Weiss and a rookie, Howard Porter, the Bulls cut a 15-point deficit early in the fourth quarter to 95-92 with 2:36 left. Two free throws by John Block and a Jabbar basket built the Bucks' lead to 99-93 with 2:07 left.

The Bulls trimmed it to three points again, with 50 seconds to play. But Jabbar sank a free throw at the 28-second mark and Weiss missed a corner shot with 10 seconds to play.

NBA Standings

	W	L	Pct.	GB
EASTERN CONFERENCE				
Atlantic Division				
Boston	44	23	.657	—
New York	40	24	.625	2 1/2
Philadelphia	25	39	.391	17 1/2
Buffalo	17	46	.270	25
Central Division				
Baltimore	27	35	.435	—
Atlanta	24	40	.375	4
Cincinnati	20	44	.313	8
Cleveland	19	47	.288	10
WESTERN CONFERENCE				
Midwest Division				
Milwaukee	53	15	.776	—
Chicago	46	30	.697	5 1/2
Phoenix	41	25	.621	10 1/2
Detroit	22	42	.344	28 1/2
Pacific Division				
Los Angeles	54	9	.857	—
Seattle	40	26	.615	15
Golden State	39	25	.609	15 1/2
Houston	25	39	.391	29 1/2
Portland	15	52	.224	41

Sunday's Games

Cincinnati 101, Atlanta 92 (J. Van Arsdale 31, Archibald 21; Hudson 20, Maravich 19).

Cleveland 111, New York 109 (Carr 25, Beard 21; DeBusschere 28, Lucas 23).

Seattle 109, Portland 105 (Snyder 28, Wilkens 25; Wicks 24, Petrie 18).

Los Angeles 132, Boston 113 (West 39, Goodrich 30; Havlicek 27, Nelson 19).

Milwaukee 103, Chicago 100 (Jabbar 44, Dandridge 18; Love 19, Walker, Sloan 13).

Phoenix 121, Detroit 107 (D. Van Arsdale 35, Hawkins 21; King 25, Lanier 21).

Trio at UCLA Would Accept Offers From Pros

SEATTLE, Feb. 21 (AP).—Three members of UCLA's top-ranked collegiate basketball team—but not star center Bill Walton—have said they would sign professional contracts now if the price was right.

Senior guard Henry Bibby and junior forwards Larry Farmer and Larry Hollyfield made the statement after Marquette, the nation's No. 2 team, lost star junior center Jim Chones to the New York Nets of the American Basketball Association.

Bibby, the deadly outside shooter who has started on National Collegiate Athletic Association championship teams the last two seasons, said, "Sure, I'd sign if the money were good and the contract sound. What would be the sense in waiting?"

"Playing pro ball doesn't mean that much to me right now," Walton said. "I still need to improve my game..."

Sports Calendar For Europe

Today

MILAN—Six-day cycling continues (ends Thursday).

Tomorrow

ASCOLI PICENO, Italy—Italy-Yugoslavia under-23 soccer game.

Friday

BREMEN, West Germany—Inter swimming meet (ends Sunday).

Saturday

ESKILSTUNA, Sweden—World sprint skating champs (ends Sunday).

PARIS—France vs. England Five Nations Rugby Union match.

Sunday

CAGLIARI, Sardinia—Cycling Tour of Sardinia begins.

PRAGUE—World cyclo-cross championships.

Bruins' Phil Esposito Shows No Brotherly Love

CHICAGO, Feb. 21 (NYT).—Phil Esposito maintains that the team the Boston Bruins fear most is Chicago "because of its great goaltender." The reference is to his brother, Tony.

Maybe Esposito, who scored 76 goals last season and had the same number of assists, has deep family pride. But his personal pride must be deeper because he does well against his brother.

The Bruin center poked in his 50th and 51st goals of the season yesterday against Tony and assisted on Wayne Cashman's goal as the Bruins, the National Hockey League East Division leaders, posted a 3-1 victory over the Black Hawks. The three points gave Phil, the defending scoring champion, 103 points for the season, tops in the league.

When Esposito tied the game at 1-1 with his 50th goal and his 21st on a power play, he tied the NHL record for consecutive 50-goal seasons held by Bobby Hull of Chicago, who scored 52 and 52 goals, from 1965-67.

It was only the second home-ice loss this season for the Hawks, the West Division leader. Both were inflicted by the Bruins, who have lost only once in their last 21 games.

NHL Standings

	W	L	T	Pts.	GF	GA
East Division						
Boston	42	8	9	93	247	123
New York	38	11	10	86	235	137
Montreal	32	12	12	76	219	149
Detroit	25	25	9	59	192	188
Toronto	24	26	11	59	154	167
Vancouver	16	28	5	37	145	204
Buffalo	11	25	14	36	153	224
West Division						
Chicago	32	14	8	72	194	121
Minnesota	32	19	9	73	182	136
California	18	28	14	50	185	223
St. Louis	20	22	9	49	167	201
Philadelphia	18	30	11	47	143	183
Pittsburgh	18	32	8	45	147	195
Los Angeles	15	39	7	37	155	240

New York 4, Detroit 3 (Ratelle 2, Gilbert, Rousseau; Redmond, Dionne, Karlander).

Boston 3, Chicago 1 (Esposito 2, Cashman; Pappin).

California 4, St. Louis 4 (Vadnais 2, Pinder; Sabourin, Unger, Thomson, Murphy).

Philadelphia 3, Toronto 1 (Clarke 2, Robt; Ullman).

Montreal 4, Buffalo 0 (F. Mahovlich 2, P. Mahovlich, Larose).

Minnesota 2, Pittsburgh 0 (Hextall, Parise).

ABA Standings

	W	L	Pct.	GB
Eastern Division				
Kentucky	51	51	.330	—
Virginia	33	32	.504	13 1/2
New York	28	36	.444	23
Floridians	26	38	.406	25 1/2
Carolina	25	39	.391	26 1/2
Pittsburgh	22	40	.355	28 1/2
Western Division				
Utah	43	20	.683	—
Indiana	35	27	.571	7
Dallas	31	34	.477	13
Denver	25	37	.403	17 1/2
Memphis	23	40	.365	20

Sunday's Games

Florida 111, New York 105 (Jabali 24, Calvin 20; Melchionni 28, Barry 23).

Kentucky 134, Carolina 113 (Simon 35, Issel, Gilmore 31; Johnson 28, Miller 23). Walt Simon scores 35 in second half.

Indiana 131, Memphis 127 (Netolicky 32, Lewis 29; Newman 38, Jones 33). Pacers win in double overtime.

Denver 148, Pittsburgh 128 (Robisch, Simpson 37; Thompson 34, Brisker 33).

Rangers 4, Red Wings 3

NEW YORK, Feb. 21 (UPI).—Jean Ratelle became the first New York player ever to score 100 points in a season as he tallied two goals and set up Bobby Rousseau's tie-breaking third-period goal to give the Rangers a 4-3 victory last night over the Detroit Red Wings.

Ratelle boosted his National Hockey League season total to 102 points with goals in the first and second periods and the assist. With 7 minutes 15 seconds to play and the score tied 3-3, Detroit's Guy Charron received a penalty. Ratelle then won the faceoff and fed to Vic Hadfield, who scooped the puck to Rousseau. Rousseau then fired a line-drive shot that went over the shoulder of Detroit goalie Andy Brown to win the game.

Flyers 3, Maple Leafs 1

Two goals and an assist by Bobby Clarke powered Philadelphia to a 3-1 victory over Toronto. Clarke scored his first goal at 12:26 of the first period when his 15-foot shot trickled past the pads of goalie Bernie Parent.

Seals 4, Blues 4

A 60-foot shot by Gary Sabourin in the third period gave St. Louis a 4-4 tie with California despite a three-goal performance by Seal defenseman Carol Vadnais.

It was the third consecutive tie for the Seals and kept them in third place in the NHL West, one point in front of St. Louis.

Canadiens 4, Sabres 0

Frank Mahovlich scored two goals and Ken Dryden registered his sixth shutout of the season as Montreal beat Buffalo, 4-0.

Six Old-Timers Of Basketball To Be Honored

SPRINGFIELD, Mass., Feb. 21 (AP).—Max (Marty) Friedman of New York, at 82 perhaps the oldest living star of basketball's early days, is one of six old-timers who have been named to the Naismith Basketball Hall of Fame.

The five others to be inducted April 20 are Paul Endacott, Ed Diddle, Eddie Gottlieb, Robert Douglas and Clifford Wells.

Friedman, only 5-foot-8, played early in the century, and ended his playing career in 1927 with the Cleveland Rosenblums.

Endacott was considered the greatest guard at the University of Kansas in the early 1920s. Diddle coached at Western Kentucky for 42 years. His teams won 758 games before he retired in 1964.

Gottlieb, who owned and coached the Philadelphia Warriors of the National Basketball Association, has been identified with the game for nearly 50 years.

Douglas owned and coached the New York Renaissance, a top Negro team of the 1930s. The Rens won 2,318 games during his 22 years as coach.

Wells, former head coach at Tulane, helped organize the Basketball Hall of Fame as executive director.

The Scoreboard

FENCING—At Paris, former world champion Roland Losert of Austria won the René Monal epée challenge. Losert and three other fencers finished with three victories each at the end of the final round but the Austrian took the barrage with four victories, two more than Hungarian Gyula Fenyvesy. Third and fourth places were taken by Sweden's Ovar Johansson and Carl Von Essen.

AUTO RALLY—At Karlstad, Sweden, Sig Blomqvist, of Sweden, driving a Saab, won the three-day KAK-rally, finishing 4 minutes ahead of Bjoern Waldegard, in a Porsche. Blomqvist, who won the RAC rally last year, took an early lead and held a wide margin throughout the race. Former Monte Carlo winner Harry Kaelstrom finished third in a Lancia.

BOXING—At Saint-Etienne, France, René Roque of France, former European junior welterweight champion, outpointed Brazil's Miguel Araujo.

GOLF—At Bogota, Colombia, Peter Townsend of England won the $4,000 International Open at the Los Lagartos Golf Club firing a six-under-par 66 on the final round. Townsend finished the 72-hole tournament on the 7,046-yard course in 274, 14 under par. American Gene Borek was second with a four-day total of 278. Roberto de Vicenzo of Argentina and Alfonso Bohorquez of Colombia were tied for third with 280.

ALPINE SKIING—At Boyne Falls, Mich., Terje Overland of Norway won the special slalom to win the K-2 Cup combined championship. Overland, 27, who was second in the giant slalom, won $3,500, which boosts him into second place behind Spider Sabich on the International Ski Racers Association tour with a total of $13,325.

Sabich, who won the giant slalom, fell in the second heat of the special.

AIR GUN SHOOTING—At Belgrade, Dan Juga of Romania won the European championship with 384 points. Second was Ernest Mueller, West Germany 383, and Jozef Zapedesky, Poland 382.

The Soviet Union won the team title with 1,517 points, followed by West Germany, 1,516; Sweden, 1,513; Poland, 1,513; Czechoslovakia, 1,508; Yugoslavia, 1,503; Austria, 1,501; East Germany, 1,500; Bulgaria, 1,495; Britain, 1,490; Romania, 1,489; Finland, 1,485, and Greece, 1,448.

BASKETBALL—At Madrid, Real Madrid beat Radio Koch of Austria, 98-74, and qualified for the semifinals of the European Cup. Real Madrid had lost the first-leg game by 1 point, and qualified on aggregate score, 183-160.

Art Buchwald

The Poems of Nixon

WASHINGTON—President Nixon is prepared for any emergency that might arise while he is in China. His staff has been working for months on every contingency the President might face. I can now reveal that the President, after hearing that Mao Tse-tung writes poetry, is carrying poetry of his own in his briefcase to read to Mao when the occasion presents itself. These are the poems that Nixon could spring on Mao Tse-tung at any time:

* * *

"If I must fly in a Chinese plane,
"Will Air Force One be far behind?"

* * *

"I stand at the Great Wall
"With Pat at my side.
"And as I breathe the centuries of history,
"The New Hampshire primary looks very small."

* * *

"There are no clouds in the sky,
"The wind is but a whisper in the trees,
"Lakes sparkle as birds sing,
"It's a good day to bomb Cambodia."

* * *

"The journey of a thousand miles
"Must begin with one single step.
"Unless you go to school
"And have to take a bus."

* * *

"Daybreak comes quietly,
"Sneaking up on the dark.
"The sun finally commands the earth.
"I hope Kissinger had a good night."

* * *

"A dog barks, an eagle cries.
"The birds take flight,
"The deer stand frightened.
"I told them Phase 2 would work."

* * *

"The streams rush down from the mountain
"Washing the rocks with blue.
"The woods are filled with buds
"As spring wipes the frost from her eyes.
"I wonder if it's too early in the year
"To call a football coach."

* * *

"I made this journey into yesterday
"Because I must think about tomorrow
"If I should trip or lose my way
"I'll deny it."

* * *

"When I look at the universe, I am nothing.
"When I look at a rose, I am nothing.
"When I look at a newborn baby, I am nothing.
When I look at the ocean, I am nothing.
"When I look at the polls, I am 49 percent."

* * *

"As the sun sets over the Yellow River
"And the moon rises in the China Sea,
"I reach to the stars with both hands
"Knowing I will be on American TV."

Treating the Child Who Cannot Learn

By Jane E. Brody

ATLANTIC CITY, N.J. (NYT).—The pediatrician tells the worried parent: "Children develop at different rates," or "I'm sure he'll grow out of it." The teacher says, "I know he would learn to read, if only he'd settle down," or "He seems bright, but he just doesn't try."

For most children who are lagging behind others their age, such explanations are undoubtedly true. But more and more, doctors and educators are realizing that there are several million children who will not grow out of it, cannot settle down, and are trying—while continuing to fall further and further behind.

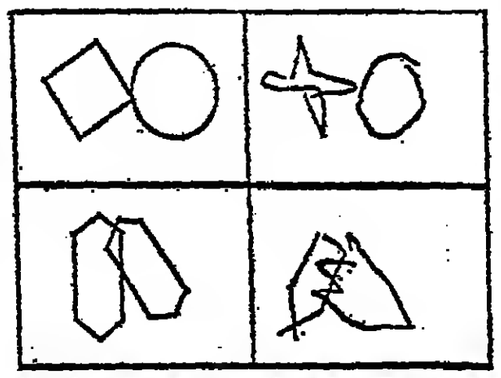
These children are the victims of a little understood disorder known as the neurologic learning disability syndrome. They are of normal or above normal intelligence, but they seem to have a tiny physiological defect somewhere in the brain that prevents them from mastering such crucial skills as reading, writing or arithmetic.

Experts on learning disabilities who attended a four-day meeting in Atlantic City last month noted that the neurologic disorder, which affects at least 3 percent of the nation's schoolchildren, is finally being recognized as a major cause of school failure, emotional disturbance and even juvenile delinquency.

Several new studies described at the meeting, sponsored by the Association for Children with Learning Disabilities, indicated that as many as 80 percent of delinquent boys may have begun their antisocial activity with a potentially correctable learning problem.

More often than not, the teachers, psychiatrists and psychologists at the meeting said, the child with a learning disability goes through most of his schooling undiagnosed, is branded by others and by himself as a failure and a troublemaker, leaves school as soon as he's legally allowed to, and never comes anywhere near reaching his full intellectual potential.

Yet, these experts said, if diagnosed and treated early—hopefully before the child even enters school—most children can be helped to overcome or to compensate for their problem and avoid the educational and emotional consequences of failing in school.



A 9-year-old with a learning disability was asked to reproduce figures at left. Results of his effort to draw what he saw are at right.

The problem—which for reasons unknown affects about five boys for every one girl—has been discussed under many different labels: dyslexia, minimal brain damage, organic brain injury, minimal brain dysfunction.

But by whatever name, every elementary school teacher is undoubtedly familiar with at least one of its manifestations: The seemingly bright child who, try as he might, remains several grade levels behind in reading, or who never masters penmanship, or can't spell, or answers "I don't know", "I forgot" or "I can't" when called on in class. Faced with repeated failure, these children usually develop a very poor self-image and a host of complicating emotional problems.

Dr. Larry B. Silver, child psychiatrist at Rutgers Medical School and program chairman of the meeting, said in an interview that emotional problems in children with learning disabilities are the result, not the cause, of their educational difficulties.

Nor is their anything wrong with their senses, he said. They can hear and see perfectly well. What they cannot do is process their perceptions properly. They act as if wires were crossed in their brains, as if there were a switch thrown that prevents what goes in from coming out the right way.

Whereas learning disability used to be a catchall phrase that included nearly all children who, for whatever reasons, were underachieving in school, it was evident at the meeting that the disorder is now being much more precisely defined, to exclude children with obvious brain damage, psychiatric disorders and mental retardation.

According to Dr. Silver, four areas of difficulties have been identified: How sensory information is received, how it is put together, how it is stored as memory, and how it is expressed as written or spoken language.

For example, the psychiatrist said, a child with a defect in perceiving auditory information may have difficulty distinguishing subtle differences in sounds. "You may ask him, 'How are you?' and he answers, 'Eight,' thinking you said 'How old are you?'"

If the child's problem is in perception of visual data, he may confuse left and right, or read "dog" as "god." He may also have a problem with depth perception, judging distances, walking into things, or knocking things over and getting hurt.

A child who has a defect in expression may be unable to translate what he knows into speech or writing. One such child complained in frustration to his teacher, "I know it in my head, but I can't get it into my hand."

Compounding the child's specific disability may be one or more neurologically based behavior problems that further limit his ability to learn. These include hyperactivity—the child who simply can't sit still for two minutes.

The cause or causes of neurologic learning disabilities are at best poorly understood. Presently available scientific evidence, as described at the meeting here, supports such diverse causes as an inherited neurochemical abnormality, brain damage before or during birth, or injury to the brain early in life as a result of toxic chemicals, high fever or trauma.

By studying nearly 1,000 children with learning problems, and comparing their histories with those of normal children, Dr. Mary S. Hoffman, medical director of the Dallas Academy, isolated a series of symptoms, evident in preschool children, which she said should alert parents and physicians to possible learning disabilities.

Dr. Hoffman found that 70 percent of children with learning disabilities—compared with less than 5 percent of normal children—had abnormal speech patterns or had not begun speaking in two-word sentences until after the age of 2. The handicapped children were also much more likely to have walked late (after 18 months), to have crawled late (after 10 months) or crawled abnormally or never at all, and to have been unable to sit alone until after reaching 10 months.

Dr. Hoffman emphasized that no one of these factors should cause alarm, but that a child with a history of three or more predictive signs "should certainly be evaluated further." She pleaded for early diagnosis, preferably in the preschool years "when brains are plastic and pliable and can be most easily trained."

PEOPLE: 'Good Art Is Serious Enough'

Thirty pieces of 18-karat-gold-plated chewing gum—chewed by an Irish artist who lost four fillings in the creative process—have gone on display in a New York art gallery. The artist, Les Levine, of Dublin, said he chewed each piece "for exactly two minutes. Then I just spit it out and sent it off to be cast in solid gold." As for the four fillings, "I sure do think it was worth it", said Levine, who added that he will not have them replaced by gold fillings since "I want the best material for my art, but it is not necessary for my mouth." The "sculptures"—which cost $350 apiece and which are being displayed with close-up photos of Levine's mouth savoring the gum—are true art, claims their progenitor. Levine admitted, however, that "anybody could do this, but that's exactly the feeling I want them to have. Art has moved away from the people quite a bit. People are deathly serious about art and I do not think it has to be serious. Good art is serious enough to begin with."

* * *

Sen. Barry Goldwater, R., Ariz., finally has his tickets for the Olympic Games in Munich this summer. "Knowledgeable sources" in Munich confirmed to the AP yesterday that Goldwater "has been taken care of." Where he got his tickets was not disclosed, but the sources provided these details: The U.S. Department of State has 26 blocks of tickets for the main stadium. These will be allocated to such officials as Supreme Court justices, White House bigwigs and Congressional leaders—but not to junior senators, which threatened to leave Goldwater out in the cold. "However, he got them," the sources said. "Now all he needs is a place to stay." This though, is considered no problem: as a major general in the Air Force Reserve, Goldwater has automatic access to the many military installations in the Munich area.

* * *

Officials of the Britannia Beach Hotel in Nassau said yesterday that singer Frank Sinatra has rented a suite that comes with a pretty fair recommendation: for 14 months, it was the hideaway of billionaire recluse Howard Hughes. Hughes gave up the two-bedroom luxury suite last Wednesday after four members of his staff were ordered to leave the Bahamas because they did not have work permits.

AP.

Sen. Barry Goldwater

Hughes is believed to have move into the top two floors of th Inter-Continental Hotel i Managua, Nicaragua, while Sina tra is expected to take over h old pad any day now.

* * *

INJURED: Actress Raq Welch, 31, who broke her rig wrist roller skating while trai ing in Hollywood for filming the roller-derby epic "The Kans City Bomber." With the sex wrist in plaster for six week filming has been postponed un April. ENGAGED: Former U Sen. Arthur V. Watkins, R Utah, and currently a worker the Salt Lake City Temple of th Mormon Church, and Doroth Watkins, 61 (no relation and years her fiancé's junior), co mercial artist and convert Mormonism; the wedding will in March.

* * *

Even if she'd been invited President Nixon, Martha Mi chek still wouldn't have gone China on a bet. So said th wife of the former attorney ge eral over the weekend when inte viewed by Illinois radio stati WJBC. "I don't want to visit Communist country," said the ou spoken Martha. "They've g their form of government an we've got ours. I just don't ap prove of them and I don't wan to go. Besides, they'd probabl try to keep me there."

* * *

In Villa Berthet, Argentina, re ports Reuters, "a footballer w shot dead and another serious wounded with a knife when tw spectators attacked them—durin a friendly local soccer game."

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REAL ESTATE TO LET, SHARE, EXCHANGE

PARIS AND SUBURBS

VERY EXCEPTIONAL
Between BOIS and SEINE, greenery, calm, sun, building absolutely new, 182 sq.m. + 31 sq.m. balcony, hall + living + dining room + 4 bedrooms + 3 bathrooms + 3 dressings + pantry and kitchen completely equipped + 3 garages. Fr. 3,016 net.

IN SAME BUILDING:
STUDIO, 56 sq.m. ....Fr. 1,404 net.
2 ROOMS, 103 sq.m. ....Fr. 2,704 net.
4 ROOMS, 123 sq.m. ....Fr. 3,363 net.
5 ROOMS, 158 sq.m. ....Fr. 4,400 net.
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16th, SHORT TERM: Impeccable, American-owned. Spacious studio, excellent kitchen, bathroom, beautifully furnished, on high floor, in quiet oasis. Available until June 30. Fr. 1,500 monthly.
JOHN BROOKS S.A. 225-65-00

16th 2 furnished rooms, small kitchen, bath, all comforts. Price: Fr. 800. Call: 742-40-98.

REAL ESTATE TO LET, SHARE, EXCHANGE

PARIS AND SUBURBS

7th: UNFURNISHED FLAT, about 250 sq.m., 5 bedrooms, 2 baths + salon + dining, pantry, kitchen, suitable for large family. Price: Fr. 3,500. 288-72-08, mornings.

XVIth 25 AVE. PIERRE-1er-DE-SERBIE. Luxurious building, nice studios, unfurnished, kitchen, telephone, carpet. Fr. 750. Visits on the spot in the afternoon.

VERSAILLES, near station: New, very sunny, splendid 5 unfurnished rooms, equipped kitchen, 2 baths, telephone. Fr. 1,250. 753-53-88.

ILE ST.-LOUIS Furnished, view, 6 rooms, F.3,500.
V.-HUGO: 5 rooms, F. 3,500. ALMA: 9 rooms, F. 5,500. AV. FOCH: 4 rooms, luxurious, F. 4,000. Tel.: 072-75-22.

17th, NIEL, 3 furnished rooms, kitchen, bath, telephone. Fr. 1,200. Call: 227-36-68.

MONTMARTRE RESIDENTIAL: Splendid studio, visible beams, kitchen, bath, telephone, furnished by decorator. Fr. 780. Call: 306-83-58.

HOUSING PROBLEMS?
American Advisory Service
will find the accommodation you want
7 AVE. GRANDE-ARMEE. 227-43-23.

16th, MAISON DE LA RADIO: Unfurnished, in modern building, 2 rooms, comfort, telephone. Visits on the spot, Tuesday, 22, 2 to 5 p.m., 16 R. La Fontaine, 6th right. Telephone mornings: SEGECO, 622-49-42.
CHAMP-MARS: Very nice furnished studio, with telephone. Fr. 1,500, charges included. 705-94-10.
CHATOU: Pleasant furnished villa, double living, 3 bedrooms, telephone, garage, garden. Fr. 1,650, charges included. 553-82-49.
16th, BOIS: Splendid unfurnished apartments, 4 to 8 rooms. Fr. 3,000 to Fr. 5,000. Call: 553-60-57.
NEUILLY: Splendid double living, 3 bedrooms, unfurnished, 2 baths, balcony, telephone, parking. Price: Fr. 3,000. Call: 535-01-63.
16th: Sumptuously furnished, double living, kitchen, bath, telephone, terrace, garage, in building never lived in before. Call: 705-86-61.
17th: Rich-class building: 3 rooms + maid's room, all comfort, unfurnished. Fr. 2,300, justified key money. Call: 755-39-28.
MAIRIE: In exceptional building, 3 rooms, high class, terrace. Price: Fr. 1,500. Call: 742-18-90.
FOCH: Very nice living + bedroom, furnished, comfortable, telephone, high class. Price: Fr. 2,000, charges included. Call: 727-30-62.
BOME (17th): Luxurious studio, furnished, all comfort, phone, available now. Call: 235-06-48.
16th, DE-BLANCHE: Rich class, unfurnished, on big garden, nice reception, 2 bedrooms, carpet, telephone. Fr. 2,500. Call: 256-15-07.
PTE. DE ST.-CLOUD: 6th floor, elevator, impeccable, 2 furnished rooms, all comfort, telephone. Fr. 800. Call: 288-15-07.
16th, RESIDENTIAL: Charming 3 rooms, telephone, entrance, kitchen, bath. Call: 704-98-16.
NEUILLY: Furnished 6-room house, garden. Fr. 2,000 free April 1st for 3 months. Call: 754-76-60.
ARGENTINE: Recent building, well furnished 4-room apartment, quiet, sun, balcony. Fr. 2,000 net. Call: 254-73-60.
ST.-GERMAIN-EN-LAYE: Furnished apartment on estate, large living, 2 bedrooms, very comfortable, garden. Fr. 1,800. VESINET: Furnished apartment in house, living, fireplace, 1 bedroom, very comfortable. Fr. 850. Call: 973-75-83.
MADELEINE: Furnished, large living, 2 bedrooms, bath, small kitchen, comfortable. Call: 073-89-15.
BOULOGNE: In town house, furnished studio, with character, very luxurious. Fr. 1,500. Call: 531-49-96.
MARCH ONLY: Large luxury flat, 247A no extras. Call: 887-76-56.
VILLA FOR RENT, NEAR MELUN, 3 bedrooms, living room, dining room, kitchen, patio, garage, laundry room, W.C., shower, bath, swimming pool, tennis. Preference if total furniture will be bought. Available July or earlier. Please contact Mr. Fourrell. Tel.: 284-55-77, 8 a.m.-9 p.m.
NEAR QUAI D'ORSAY, very luxurious in duplex, nice reception (3 rooms) + 5 bedrooms, 3 baths, fitted kitchen, unfurnished or furnished + box. 704-62-41.
SUCHET: 2-bedroom apartment, garage, luxuriously furnished, new building. Fr. 3,000. — 878-61-18.

REAL ESTATE TO LET, SHARE, EXCHANGE

PARIS AND SUBURBS

16TH, owner rents directly, very quiet apartment, 1 big living room, 2 bedrooms, highest comfort, terraces, sun, kitchen installed, carpet, curtains. Fr. 1,700 a month net. To visit afternoons, phone 9-12 a.m., 325-01-74.

BY OWNER, FOCH: Studios furnished, bath, kitchen, phone, private entrance. F. 600 & 1,000. 553-11-80, a.m.

FRENCH PROVINCES

NEAR VENCE, or for sale F. 2,000,000, furnished, very beautiful estate furnished or not, swimming pool, patios, 4 bathrooms. Fr. 4,000 monthly. Paris: 704-63-51.

GREAT BRITAIN

HENRY & JAMES — The capital's number one real estate agent for luxury furnished flats and houses in central London. 01-235-6861.
LONDON, for the best furnished flats and houses consult the Specialists PHILLIPS, KAY AND LEWIS. 01-629 8811.

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HOUSES FOR RENT in Amsterdam, Hilversum, Utrecht areas. Pierre's Rental Agency, Zeverijlustraat 404, Hilversum. Tel.: 02150-12198.

U.S.A.

HAVE FAMILY WHO WISH TO EXCHANGE home for vacation in Italy. Write: Box 278, Winnetka, Illinois 60093, U.S.A.
NEW ENGLAND, exceptional 10-room home near Boston, own pool. Rent or exchange European house. Mid-1972 through 1973 or portion. Professor Romoser, Eliot, Maine 03903.

REAL ESTATE FOR SALE

PARIS AND SUBURBS

FOCH-ETOILE, 7th floor right, 116 sq.m. + 30 sq.m. terrace, maid's room, quiet, sunny. Today: 2:30 to 5:00 p.m., 7 Rue Chalgrin, 16th. Agents abstain.

Quai d'ORSAY very high class apt., view, 200 sq.m., reception + 5 bedrooms, phone. — 256-05-96.

BD. ST.-GERMAIN, 3 rooms, 65 sq.m., luxurious, quiet. — 222-69-50.
MONTPARNASSE: Charming 18th-century studio + parking. Profession/office, low charge. $20,000. 633-51-06.

FRENCH PROVINCES

ST. TROPEZ, right on sea. Call: Paris, 359-87-68.

BELGIUM

PRIVATE SALE of semi-detached house, 10 minutes from BRUSSELS city center. 4 bedrooms or 3 + office. L-shaped living, large kitchen, terrace, garage, bathroom, 2 w.c., gas oil central heating. Large attic, etc. with or without furniture. Write: Agence Rosed, No. 523.165 Rue Royale 113, 1000 Brussels.

ITALY

ROME: Apartment 5 rooms, 2 baths, overlooking EUR Lake. Cost 45 million lire. See "Portiere," Viale America 111, or write: Box 130, Tribune, Mercede 55, Rome, Italy.

SPAIN

COSTA DEL SOL, ALMUNECAR. Unique property, architect designed in traditional Andalusian style, spacious fully furnished house, magnificent mountain and sea views. Includes 6,700 sq.m. landscaped garden and almond and olive orchard, suitable 4 more building sites. House 238 sq.m., 3/4 bedrooms, study, 2 bathrooms, maid's quarters, large lounge, dining-room, 4 patios, terrace, double garage. Large unused lower ground floor suitable for development. Built as permanent residence for retired couple. £40,000. O.N.O. Write: Apartado 22, Almuneccar (Granada).

REAL ESTATE FOR SALE

Beach Front Property
Purchase one of our furnished condominium apartments. We rent them and our Bank guarantees you 12% income over the purchase value.
LOS TRES CABALLOS, P.O. Box 105, Torremolinos (Spain). Tel.: 383890.

PORTUGAL

PORTIMAO, ALGARVE, 640 hectares land for sale, 4 kms. from PORTIMAO, plenty of water. Exceptional Price. Wr.: Box 130, Herald Tribune, 32 R. Janelas Verdes, Lisbon, Port.
EVORA, for sale, PROPERTY with 4,800 hectares, near river Guadiana, plenty of cork, olive trees, vineyards, pasturages. Hunting. Write: Box 129, Herald Tribune, 32 Rue Janelas Verdes, Lisbon, Portugal.

REAL ESTATE WANTED

PARIS AND SUBURBS

IMPORTANT REAL ESTATE FIRM seeks unfurnished apartment, between 150 & 200 sq.m., up to Fr. 4,000 monthly, in residential areas. Accepts inter agencies. UFFI: 522-81-30.
PARIS, furnished flat, 3 bedrooms for 3 embassy personnel. No agents please. Paris: 720-32-94, ext. 308.
DIPLOMAT seeks furnished high-class apartment. — 073-75-32.
WANTED, PARIS, Aug.